

# Abbreviated Rate Filing

November 1, 2005



One Service Road  
Providence, Rhode Island 02905  
401-461-8848 • TDD 401-461-6549 • FAX 401-461-6540

**Vincent Mesolella, Jr.**  
Chairman

**Paul Pinault**  
Executive Director

## PUC Abbreviated Filing Checklist

## Location/Title

Certificate of Service	TAB 1
Notice of Change	TAB 2
Tariffs- Existing, Marked-up, Proposed	TAB 4,5,6
Attestations	TAB 3
Supporting Testimony	
Walter Edge	TAB 7
Cost of service schedules for the test year	WEE - 1
Cost of service schedules for the rate year	WEE - 4
Supporting calculations and data for known and measurable changes allowed per Rule 2.10(b)	WEE - 5 to 12
A comparative statement of revenues and expenditures for the past three (3) fiscal years.	WEE - 3
Workpapers detailing the test year revenues by source, tariff, rate class, etc. The sales volumes/quantities and customer counts by rate class shall be presented.	WEE - 2
A schedule presenting the principal and interest amounts on debt service (long-term and short-term debt) projected for the rate year.	TAB 8
Schedule amounts by bond issue, note/mortgage loan, etc. as appropriate.	TAB 8
A summary of expenses incurred and projected to be incurred related to the instant rate case filing, and a schedule showing unamortized amounts from prior rate filings. This schedule shall reconcile the total amount of expense allowed in the last order, the recovery (or amortization) of expense through the test year, and the projected balance of any unrecovered (unamortized) amount at the beginning of the rate year.	See WEE Testimony (pages 6 & 7)
Rate payer impact	WEE - 15
Revenue proof	WEE - 14
<b>Additional Abbreviated Filing Requirements</b>	
Balance sheet for the test year	TAB 8
A schedule presenting the principal and interest amounts paid on debt service (long-term and short-term debt) for the test year.	TAB 8
Provide a description of each issue to include: source of funding, amount of original issue, date, interest rate, repayment terms, security pledged on borrowing, and other pertinent information.	TAB 8
A summary on the status of compliance and reporting required by prior Commission orders.	TAB 8
An accounting summary of restricted accounts to provide the funding, interest accrual, and expenditures of each restricted account since the date of the last rate order.	TAB 8

## **CERTIFICATE OF SERVICE**

I, Karen L. Giebink, hereby certify that I have, this 1st day of November, 2005 caused a copy of the within Abbreviated Rate Case Filing of the Narragansett Bay Commission to be served on the Administrator of the Division of Public Utilities and Carriers and the Office of the Attorney General.

A handwritten signature in black ink, appearing to read 'Karen L. Giebink', is written over a horizontal line.

Karen L. Giebink,  
Director of Administration and Finance

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**  
**PUBLIC UTILITIES COMMISSION**

IN RE: NARRAGANSETT BAY COMMISSION  
ABBREVIATED FILING OF November 1, 2005

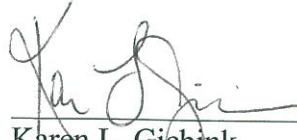
**NOTICE OF CHANGE IN RATE SCHEDULES**

Pursuant to R.I.G.L. SECTION 39-3-11, and in accordance with Rule 1.9 and Part Two of the Rules of Practice and Procedure of the Rhode Island Public Utilities Commission ("Commission"), the Narragansett Bay Commission ("NBC") hereby gives notice of proposed changes in rates, which we previously filed and published in compliance with R.I.G.L., Section 39-3-10.

The proposed changes are contained in the accompanying Exhibits. The new residential and non-residential rates, as proposed, are to become effective June 1, 2006. The new rates are designed to collect revenues in a 12-month period equal to \$64,040,242.

- 1) NBC is a public corporation of the State of Rhode Island, created by chapter 25 of title 46 of the Rhode Island General Laws, and having a distinct legal existence separate from the State, NBC's principal address is Narragansett Bay Commission, One Service Road, Providence, RI 02905. Pursuant to the Chapter 25 of Title 46, NBC is authorized to do business within the State of Rhode Island.
- 2) Correspondence in accordance with Rule 1.9 (a)(2) should be addressed to Karen Giebink, Director of Administration and Finance, Narragansett Bay Commission, One Service Road, Providence, RI, 02903 and Peter McGinn Legal Counsel, Tillinghast Licht 10 Weybosset Street, Providence, RI, 02908-2818.
- 3) In accordance with rule 1.9 and part Two of the Rules, the documents accompanying this filing contain data, information and testimony in support of NBC's application.

- 4) A copy of the materials herewith filed has been sent to the Administrator of the Division and the Attorney General for the State of Rhode Island.



Karen L. Giebink  
Director of Administration and Finance  
Narragansett Bay Commission

STATE OF RHODE ISLAND  
COUNTY OF PROVIDENCE

Subscribed and sworn to before me on this the 1st day of November 2005, Pursuant the PUC Rule 1.9.

  
Notary Public 8/12/09




IN RE:  
NARRAGANSETT BAY COMMISSION  
TARIFF FILING OF NOVEMBER 1, 2005

NARRAGANSETT BAY COMMISSION

ATTESTATION

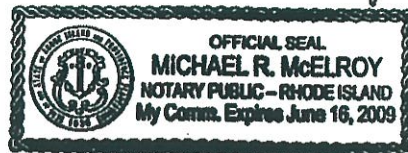
I, Walter E. Edge, Consulting Department Director of Bacon and Edge, hereby make affidavit that the testimony I presented on behalf of the Narragansett Bay Commission is true and correct to the best of my knowledge, information and belief.

  
Walter E. Edge

STATE OF RHODE ISLAND  
PROVIDENCE, SC.

Subscribed and sworn to before me on this 27<sup>th</sup> day of October, 2005.

  
Notary Public

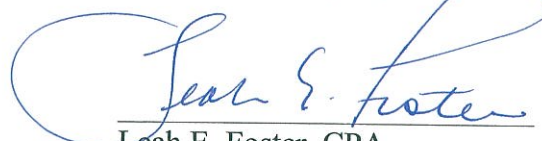


**IN RE:  
NARRAGANSETT BAY COMMISSION  
TARIFF FILING OF NOVEMBER 1, 2005**

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION**

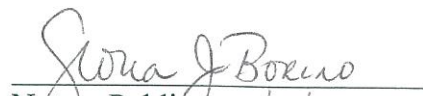
**ATTESTATION UNDER RULE 2.7**

I, Leah E. Foster, Controller, of the Narragansett Bay Commission, in conformance with part 2.7, of the Rules of Practice and Procedure of the Public Utilities Commission, hereby attest that the financial data presented in the rate base, cost of service, revenue statements and supporting data submitted herein are an accurate reflection of the books of the Narragansett Bay Commission. Any differences between the books and the test year data, and any changes in the manner of recording an item on the company's books during the test year have been expressly noted.

  
Leah E. Foster, CPA

STATE OF RHODE ISLAND  
PROVIDENCE, SC.

Subscribed and sworn to before me on this 1<sup>st</sup> day of November 2005.

  
Notary Public 3/19/05

**TARIFFS OF THE NARRAGANSETT BAY COMMISSION**

**SCHEDULE A**

**NARRAGANSETT BAY COMMISSION**

**EFFECTIVE:** Flat Fees: July 1, 2005  
Consumption Fees: July 1, 2005

**Applicability**

Applicable throughout the entire territory served by the Field's Point and Bucklin Point Wastewater Treatment Facilities and operated by the Narragansett Bay Commission.

**Sewer Use Fee Schedule**

**RESIDENTIAL**

All residential structures up to and including six (6) dwelling units.

All residential condominiums will be billed under residential tariffs regardless of the number of dwelling units per structure/meter.

**NBC Service Area**

**FIXED FEE:**

\$94.38 per dwelling unit per year

**CONSUMPTION FEE:**

\$1.942/hundred cubic feet of 100% of water used

**Residential Well Customers**

\$283.92 (based upon fixed fee and average usage of 200 gpd)

**INDUSTRIAL**

All structures in which water is utilized for the production and/or manufacturing based operations including non-contact cooling water.

**FIXED FEES**

**METER SIZE**

**FIXED FEE**

5/8"	\$212.00
3/4"	\$317.00
1"	\$528.00
1 1/2"	\$1,057.00
2"	\$1,690.00
3"	\$3,168.00
4"	\$5,280.00
6"	\$10,562.00
8"	\$16,899.00
10"	\$24,292.00

**CONSUMPTION FEE:**

**NBC Service Area:**

\$1.810/hundred cubic feet of 100% of water used.



## Existing Tariffs

### **COMMERCIAL**

All other structures. This includes mixed use structures (i.e., combined residential/non-residential) and half-way houses and/or boarding type facilities where unrelated persons rent rooms.

### **FIXED FEES**

### **METER SIZE**

### **FIXED FEE**

5/8"	\$212.00
3/4"	\$317.00
1"	\$528.00
1 1/2"	\$1,057.00
2"	\$1,690.00
3"	\$3,168.00
4"	\$5,280.00
6"	\$10,562.00
8"	\$16,899.00
10"	\$24,292.00

### **NBC Service Area:**

\$2.813/hundred cubic feet of 100% of water used.

### **BILLING**

**Residential** - Fixed fee bills rendered to property owners quarterly. Consumption bills rendered to property owners as usage data is supplied by the appropriate Water Supply Board.

**Condominiums (residential)** - Fixed fee to be rendered to property owners and/or associations, quarterly. Consumption bills rendered to property owners and/or associations as usage data is supplied by the appropriate Water Supply Board.

**Industrial** - Fixed fee to be rendered to property owners quarterly. Consumption bills rendered to property owners as usage data is supplied by the appropriate Water Supply Board.

**Commercial** - Fixed fee to be rendered to property owners quarterly. Consumption bills rendered to property owners monthly, quarterly and/or semi-annually as usage data is supplied by the appropriate Water Supply Board.

**Industrial Surcharge** - If any, to be billed with consumption.

### **PAYMENT**

All bills are due and payable upon receipt. A late charge penalty of twelve per cent (12%) per annum will be levied after thirty (30) days from the billing date.

## TARIFFS OF THE NARRAGANSETT BAY COMMISSION

**SCHEDULE B****NARRAGANSETT BAY COMMISSION**

**EFFECTIVE:** Pretreatment Annual Permit Fee: June 30, 2003  
 New Sewer Connection Fee: July 1, 2005  
 BOD/TSS Surcharge: June 30, 2003  
 Septic Tank Waste Discharge Fee: May 6, 2005  
 Sewer Back-up Removal Fee: March 24, 1995  
 Abatement Application Fee: January 29, 2001

**Miscellaneous Charges**

1. Pretreatment Annual Permit Fee: Applicable to all users regulated under R.I.G.L. 46-25-25 and the NBC's Rules and Regulations.

<b>CAT #</b>	<b>User Classification</b>	<b>Permit Fee</b>
<b>11</b>	<b>Electroplater/Metalfinisher</b>	
	Flow < 2,500 GPD	\$1,811
	Flow ≥ 2,500 < 10,000 GPD	\$3,623
	Flow ≥ 10,000 GPD < 50,000	\$7,246
	Flow ≥ 50,000 GPD < 100,000 GPD	\$10,144
	Flow ≥ 100,000	\$10,869
<b>12</b>	<b>Metal Molding and Casting</b>	\$1,087
<b>13</b>	<b>Organic Chemical Manufacturers</b>	\$7,246
<b>14</b>	<b>Other Categorical Industries</b>	\$1,087
<b>15</b>	<b>Metal Formers</b>	\$5,797
<b>21</b>	<b>Tubbing/Vibratory/Mass Finishing</b>	
	Flow < 5,000 GPD	\$725
	Flow ≥ 5,000 GPD	\$1,449
<b>22</b>	<b>Chemical Transporters, Refiners, Recyclers, Manufacturers</b>	\$2,898
<b>23</b>	<b>Textile Processing Firms</b>	
	Flow < 2,500 GPD	\$1,449
	Flow ≥ 2,500 < 10,000 GPD	\$3,768
	Flow ≥ 10,000 < 50,000	\$5,072
	Flow ≥ 50,000 GPD	\$7,246

## Existing Tariffs

<b>CAT #</b>	<b>User Classification</b>	<b>Permit Fee</b>
<b>24</b>	<b>Printers</b>	
	Gravure	\$3,623
	Other Flow $\geq$ 2,500 GPD	\$1,087
	Other Flow $<$ 2,500 GPD	\$725
<b>25</b>	<b>Industrial Laundries</b>	\$3,623
<b>26</b>	<b>Machine Shops/Machinery Rebuilders</b>	\$1,449
<b>27</b>	<b>Other firms discharging toxics and/or prohibited pollutants</b>	
	Flow $\geq$ 10,000 GPD	\$2,898
	Flow $\geq$ 2,500 GPD $<$ 10,000 GPD	\$1,449
	Flow $<$ 2,500 GPD	\$725
<b>28</b>	<b>Central Treatment Facilities - Hazardous Waste</b>	\$14,492
<b>29</b>	<b>Central Treatment Facilities - Non-Hazardous Waste</b>	\$4,348
<b>34</b>	<b>Manufacturers with high BOD/TSS wastestreams</b>	
	Flow $\geq$ 100,000 GPD	\$5,797
	50,000 GPD $\leq$ Flow $<$ 100,000 GPD	\$3,623
	10,000 GPD $\leq$ Flow $<$ 50,000 GPD	\$1,811
	Flow $<$ 10,000 GPD	\$1,087
<b>35</b>	<b>Other facilities discharging conventional pollutants</b>	
	Flow $\geq$ 10,000 GPD	\$1,449
	Flow $<$ 10,000 GPD	\$725
<b>37</b>	<b>Automotive Maintenance/Service Facilities</b>	
	Small $\leq$ 2 Bays	\$435
	Large $\geq$ 3 Bays	\$1,449
<b>40</b>	<b>Groundwater Remediation/Excavation Projects</b>	
	Flow $\geq$ 10,000 GPD	\$1,449
	Flow $<$ 10,000 GPD	\$725
<b>41</b>	<b>Recycle or Disconnected Electroplating or Chemical Processes</b>	\$725

## Existing Tariffs

CAT #	User Classification	Permit Fee
42	Other Process Operations Disconnected or Recycled	\$290
43	Recycle or Disconnected Electroplating or Chemical Processes with Cooling Water or Boiler Discharges	\$870
44	Other Recycled or Disconnected Process Operations with Cooling Water or Boiler Discharges	\$362
46	Cooling Water with Solvent, Toxic and/or Hazardous Chemicals on Site	\$362
49	Other Discharges with Solvents, Toxics and/or Hazardous Chemicals on Site	
	Flow $\geq$ 10,000 GPD	\$1,087
	Flow $<$ 10,000 GPD	\$725
51	Cooling Water with No Solvents, Toxic or Hazardous Chemicals on Site	\$362
52	Boiler Blowdown/Condensate Discharges	\$362
53	Cooling Tower Discharges	\$362
59	Other Non-Toxic Industrial Discharges	
	Flow $\geq$ 5,000 GPD	\$725
	Flow $<$ 5,000 GPD	\$362
80	Septage Haulers/Dischargers	\$435
81	Food/Fish/Meat/Produce Processing (wholesale)	
	Flow $<$ 1,000 GPD	\$362
	1,000 GPD $\leq$ Flow $<$ 10,000 GPD	\$725
	Flow $\geq$ 10,000 GPD	\$1,449
82	Supermarkets (Retail Food Processing)	\$725
83	Parking Garages/Lots	\$725

## Existing Tariffs

CAT #	User Classification	Permit Fee
84	<b>Cooling Water/Groundwater/ Boiler Discharges with Potential to Discharge Conventional Pollutants</b>	\$362
85	<b>Restaurants</b>	
	< 50 seats	\$217
	≥ 50 seats < 100 seats	\$435
	>100 seats of fast food ( 2 or more fryolators and/or drive through window)	\$580
86	<b>Commercial Buildings with Cafeteria and/or laundry operations</b>	\$725
89	<b>Other Commercial Facilities with Potential to Discharge Conventional Pollutants</b>	
	< 2,500 GPD	\$362
	≥ 2,500 GPD	\$725
90	<b>Hospitals</b>	\$3,623
91	<b>Cooling Water/Groundwater/ Boiler Discharges with Potential to Discharge Toxic, Prohibited and/or Conventional Pollutants</b>	\$362
92	<b>Laundries/Dry Cleaners</b>	
	Laundromats	\$725
	Dry Cleaners with 1 washer or less	\$362
	Dry Cleaners with ≥ 2 washers	\$725
93	<b>Photo Processing</b>	
	< 1,000 GPD	\$362
	1,000 GPD ≤ Flow < 2,500	\$725
	2,500 GPD - 5,000 GPD	\$1,087
	> 5,000 GPD	\$1,449
94	<b>X-Ray Processing</b>	
	≤ 2 processors	\$362
	3 - 4 processors	\$725
	5 - 9 processors	\$1,087
	≥ 10 processors	\$1,449



## Existing Tariffs

CAT #	User Classification	Permit Fee
95	Clinical, Medical and Analytical Laboratories	\$725
96	Funeral Homes/Enbalming Operations	\$362
97	Motor Vehicle Service/Washing Operations	
	rate per tunnel	\$725
	rate per bay	\$217
	maximum rate per facility	\$1,449
99	Other Commercial Users with Potential to Discharge Toxic, Prohibited and/or Conventional Pollutants	
	Flow < 2,500 GPD	\$362
	Flow ≥ 2,500 GPD	\$725

**NOTE: All flow rates are based upon operating days.**

2. **New Sewer Connection Fee:** Applicable to all applications for a new service connection directly or indirectly to NBC facilities. Payable at the time of application.
 

Residential	\$260 per connection
Commercial	\$779 per connection
Industrial	\$779 per connection
3. **Sewer Back-up Removal Fee:** Applicable to all visits by Commission personnel to clear a sewer blockage when such blockage is determined to be a private sewer and is cleared by Commission personnel.
 

Charge: \$75.00 per incident
4. **Septic Tank Waste Discharge Fee:** Applicable to all discharges of septic tank waste into the NBC system.
 

Charge: \$42.00 per thousand gallons
5. **BOD/TSS Surcharge:** (if applicable)
 

\$87.00/1,000 pounds of BOD with a concentration above 300 mg/l	\$87.00/1,000 pounds of TSS with a concentration above 300 mg/l
To be assessed as the result of compliance with an industrial permit or NBC requirement.	
6. **Abatement Application Fee:** Applicable to all applicants who request an abatement to sewer user fees charged. Payable at the time of application.
 

Charge: \$36.00

## Marked-Up Tariffs

### TARIFFS OF THE NARRAGANSETT BAY COMMISSION

#### SCHEDULE A

#### NARRAGANSETT BAY COMMISSION

**EFFECTIVE:** Flat Fees: ~~July 1, 2005~~ July 1, 2006  
Consumption Fees: ~~July 1, 2005~~ July 1, 2006

#### Applicability

Applicable throughout the entire territory served by the Field's Point and Bucklin Point Wastewater Treatment Facilities and operated by the Narragansett Bay Commission.

#### Sewer Use Fee Schedule

#### RESIDENTIAL

All residential structures up to and including six (6) dwelling units.

All residential condominiums will be billed under residential tariffs regardless of the number of dwelling units per structure/meter.

#### NBC Service Area

#### **FIXED FEE:**

~~\$94.38~~ \$99.45 per dwelling unit per year

#### **CONSUMPTION FEE:**

~~\$1.942~~ \$2.05/hundred cubic feet of 100% of water used

#### Residential Well Customers

~~\$283.92~~ \$299.53 (based upon fixed fee and average usage of 200 gpd)

#### INDUSTRIAL

All structures in which water is utilized for the production and/or manufacturing based operations including non-contact cooling water.

#### **FIXED FEES**

#### METER SIZE

#### FIXED FEE

5/8"	<del>\$212.00</del> <u>\$223.00</u>
3/4"	<del>\$317.00</del> <u>\$334.00</u>
1"	<del>\$528.00</del> <u>\$556.00</u>
1 1/2"	<del>\$1,057.00</del> <u>\$1,113.00</u>
2"	<del>\$1,690.00</del> <u>\$1,781.00</u>
3"	<del>\$3,168.00</del> <u>\$3,339.00</u>
4"	<del>\$5,280.00</del> <u>\$5,564.00</u>
6"	<del>\$10,562.00</del> <u>\$11,130.00</u>
8"	<del>\$16,899.00</del> <u>\$17,808.00</u>
10"	<del>\$24,292.00</del> <u>\$25,599.00</u>

#### **CONSUMPTION FEE:**

#### NBC Service Area:

~~\$1.810~~ \$1.907/hundred cubic feet of 100% of water used.

## Marked-Up Tariffs

### **COMMERCIAL**

All other structures. This includes mixed use structures (i.e., combined residential/non-residential) and half-way houses and/or boarding type facilities where unrelated persons rent rooms.

### **FIXED FEES**

### **METER SIZE**

### **FIXED FEE**

5/8"	<del>\$212.00</del> <u>\$223.00</u>
3/4"	<del>\$317.00</del> <u>\$334.00</u>
1"	<del>\$528.00</del> <u>\$556.00</u>
1 1/2"	<del>\$1,057.00</del> <u>\$1,113.00</u>
2"	<del>\$1,690.00</del> <u>\$1,781.00</u>
3"	<del>\$3,168.00</del> <u>\$3,339.00</u>
4"	<del>\$5,280.00</del> <u>\$5,564.00</u>
6"	<del>\$10,562.00</del> <u>\$11,130.00</u>
8"	<del>\$16,899.00</del> <u>\$17,808.00</u>
10"	<del>\$24,292.00</del> <u>\$25,599.00</u>

**NBC Service Area:** ~~\$2.813~~\$2.965/hundred cubic feet of 100% of water used.

### **BILLING**

**Residential** - Fixed fee bills rendered to property owners quarterly. Consumption bills rendered to property owners as usage data is supplied by the appropriate Water Supply Board.

**Condominiums (residential)** - Fixed fee to be rendered to property owners and/or associations, quarterly. Consumption bills rendered to property owners and/or associations as usage data is supplied by the appropriate Water Supply Board.

**Industrial** - Fixed fee to be rendered to property owners quarterly. Consumption bills rendered to property owners as usage data is supplied by the appropriate Water Supply Board.

**Commercial** - Fixed fee to be rendered to property owners quarterly. Consumption bills rendered to property owners monthly, quarterly and/or semi-annually as usage data is supplied by the appropriate Water Supply Board.

**Industrial Surcharge** - If any, to be billed with consumption.

### **PAYMENT**

All bills are due and payable upon receipt. A late charge penalty of twelve per cent (12%) per annum will be levied after thirty (30) days from the billing date.

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

**SCHEDULE B**

**NARRAGANSETT BAY COMMISSION**

**EFFECTIVE:** Pretreatment Annual Permit Fee: June 30, 2003  
 New Sewer Connection Fee: July 1, 2005  
 BOD/TSS Surcharge: June 30, 2003  
 Septic Tank Waste Discharge Fee: May 6, 2005  
 Sewer Back-up Removal Fee: March 24, 1995  
 Abatement Application Fee: January 29, 2001

**Miscellaneous Charges**

1. Pretreatment Annual Permit Fee: Applicable to all users regulated under R.I.G.L. 46-25-25 and the NBC's Rules and Regulations.

<b>CAT #</b>	<b>User Classification</b>	<b>Permit Fee</b>
<b>11</b>	<b>Electroplater/Metalfinisher</b>	
	Flow < 2,500 GPD	\$1,811
	Flow ≥ 2,500 < 10,000 GPD	\$3,623
	Flow ≥ 10,000 GPD < 50,000	\$7,246
	Flow ≥ 50,000 GPD < 100,000 GPD	\$10,144
	Flow ≥ 100,000	\$10,869
<b>12</b>	<b>Metal Molding and Casting</b>	\$1,087
<b>13</b>	<b>Organic Chemical Manufacturers</b>	\$7,246
<b>14</b>	<b>Other Categorical Industries</b>	\$1,087
<b>15</b>	<b>Metal Formers</b>	\$5,797
<b>21</b>	<b>Tubbing/Vibratory/Mass Finishing</b>	
	Flow < 5,000 GPD	\$725
	Flow ≥ 5,000 GPD	\$1,449
<b>22</b>	<b>Chemical Transporters, Refiners, Recyclers, Manufacturers</b>	\$2,898
<b>23</b>	<b>Textile Processing Firms</b>	
	Flow < 2,500 GPD	\$1,449
	Flow ≥ 2,500 < 10,000 GPD	\$3,768
	Flow ≥ 10,000 < 50,000	\$5,072
	Flow ≥ 50,000 GPD	\$7,246

## Marked-Up Tariffs

<b>CAT #</b>	<b>User Classification</b>	<b>Permit Fee</b>
<b>24</b>	<b>Printers</b>	
	Gravure	\$3,623
	Other Flow $\geq$ 2,500 GPD	\$1,087
	Other Flow < 2,500 GPD	\$725
<b>25</b>	<b>Industrial Laundries</b>	\$3,623
<b>26</b>	<b>Machine Shops/Machinery Rebuilders</b>	\$1,449
<b>27</b>	<b>Other firms discharging toxics and/or prohibited pollutants</b>	
	Flow $\geq$ 10,000 GPD	\$2,898
	Flow $\geq$ 2,500 GPD < 10,000 GPD	\$1,449
	Flow < 2,500 GPD	\$725
<b>28</b>	<b>Central Treatment Facilities - Hazardous Waste</b>	\$14,492
<b>29</b>	<b>Central Treatment Facilities - Non-Hazardous Waste</b>	\$4,348
<b>34</b>	<b>Manufacturers with high BOD/TSS wastestreams</b>	
	Flow $\geq$ 100,000 GPD	\$5,797
	50,000 GPD $\leq$ Flow < 100,000 GPD	\$3,623
	10,000 GPD $\leq$ Flow < 50,000 GPD	\$1,811
	Flow < 10,000 GPD	\$1,087
<b>35</b>	<b>Other facilities discharging conventional pollutants</b>	
	Flow $\geq$ 10,000 GPD	\$1,449
	Flow < 10,000 GPD	\$725
<b>37</b>	<b>Automotive Maintenance/Service Facilities</b>	
	Small $\leq$ 2 Bays	\$435
	Large $\geq$ 3 Bays	\$1,449
<b>40</b>	<b>Groundwater Remediation/Excavation Projects</b>	
	Flow $\geq$ 10,000 GPD	\$1,449
	Flow < 10,000 GPD	\$725
<b>41</b>	<b>Recycle or Disconnected Electroplating or Chemical Processes</b>	\$725



## Marked-Up Tariffs

<b>CAT #</b>	<b>User Classification</b>	<b>Permit Fee</b>
<b>42</b>	<b>Other Process Operations Disconnected or Recycled</b>	\$290
<b>43</b>	<b>Recycle or Disconnected Electroplating or Chemical Processes with Cooling Water or Boiler Discharges</b>	\$870
<b>44</b>	<b>Other Recycled or Disconnected Process Operations with Cooling Water or Boiler Discharges</b>	\$362
<b>46</b>	<b>Cooling Water with Solvent, Toxic and/or Hazardous Chemicals on Site</b>	\$362
<b>49</b>	<b>Other Discharges with Solvents, Toxics and/or Hazardous Chemicals on Site</b>	
	Flow $\geq$ 10,000 GPD	\$1,087
	Flow $<$ 10,000 GPD	\$725
<b>51</b>	<b>Cooling Water with No Solvents, Toxic or Hazardous Chemicals on Site</b>	\$362
<b>52</b>	<b>Boiler Blowdown/Condensate Discharges</b>	\$362
<b>53</b>	<b>Cooling Tower Discharges</b>	\$362
<b>59</b>	<b>Other Non-Toxic Industrial Discharges</b>	
	Flow $\geq$ 5,000 GPD	\$725
	Flow $<$ 5,000 GPD	\$362
<b>80</b>	<b>Septage Haulers/Dischargers</b>	\$435
<b>81</b>	<b>Food/Fish/Meat/Produce Processing (wholesale)</b>	
	Flow $<$ 1,000 GPD	\$362
	1,000 GPD $\leq$ Flow $<$ 10,000 GPD	\$725
	Flow $\geq$ 10,000 GPD	\$1,449
<b>82</b>	<b>Supermarkets (Retail Food Processing)</b>	\$725
<b>83</b>	<b>Parking Garages/Lots</b>	\$725

## Marked-Up Tariffs

CAT #	User Classification	Permit Fee
<b>84</b>	<b>Cooling Water/Groundwater/ Boiler Discharges with Potential to Discharge Conventional Pollutants</b>	\$362
<b>85</b>	<b>Restaurants</b>	
	< 50 seats	\$217
	≥ 50 seats < 100 seats	\$435
	>100 seats of fast food ( 2 or more fryolators and/or drive through window)	\$580
<b>86</b>	<b>Commercial Buildings with Cafeteria and/or laundry operations</b>	\$725
<b>89</b>	<b>Other Commercial Facilities with Potential to Discharge Conventional Pollutants</b>	
	< 2,500 GPD	\$362
	≥ 2,500 GPD	\$725
<b>90</b>	<b>Hospitals</b>	\$3,623
<b>91</b>	<b>Cooling Water/Groundwater/ Boiler Discharges with Potential to Discharge Toxic, Prohibited and/or Conventional Pollutants</b>	\$362
<b>92</b>	<b>Laundries/Dry Cleaners</b>	
	Laundromats	\$725
	Dry Cleaners with 1 washer or less	\$362
	Dry Cleaners with ≥ 2 washers	\$725
<b>93</b>	<b>Photo Processing</b>	
	< 1,000 GPD	\$362
	1,000 GPD ≤ Flow < 2,500	\$725
	2,500 GPD - 5,000 GPD	\$1,087
	> 5,000 GPD	\$1,449
<b>94</b>	<b>X-Ray Processing</b>	
	≤ 2 processors	\$362
	3 - 4 processors	\$725
	5 - 9 processors	\$1,087
	≥ 10 processors	\$1,449

## Marked-Up Tariffs

CAT #	User Classification	Permit Fee
95	Clinical, Medical and Analytical Laboratories	\$725
96	Funeral Homes/Enbalming Operations	\$362
97	Motor Vehicle Service/Washing Operations	
	rate per tunnel	\$725
	rate per bay	\$217
	maximum rate per facility	\$1,449
99	Other Commercial Users with Potential to Discharge Toxic, Prohibited and/or Conventional Pollutants	
	Flow < 2,500 GPD	\$362
	Flow ≥ 2,500 GPD	\$725

**NOTE: All flow rates are based upon operating days.**

2. **New Sewer Connection Fee:** Applicable to all applications for a new service connection directly or indirectly to NBC facilities. Payable at the time of application.

Residential	\$260 per connection
Commercial	\$779 per connection
Industrial	\$779 per connection

3. **Sewer Back-up Removal Fee:** Applicable to all visits by Commission personnel to clear a sewer blockage when such blockage is determined to be a private sewer and is cleared by Commission personnel.

Charge: \$75.00 per incident

4. **Septic Tank Waste Discharge Fee:** Applicable to all discharges of septic tank waste into the NBC system.

Charge: \$42.00 per thousand gallons

5. **BOD/TSS Surcharge:** \$87.00/1,000 pounds of BOD with a concentration above 300 mg/l \$87.00/1,000 pounds of TSS with a concentration above 300 mg/l  
(if applicable)

To be assessed as the result of compliance with an industrial permit or NBC requirement.

6. **Abatement Application Fee:** Applicable to all applicants who request an abatement to sewer user fees charged. Payable at the time of application.

Charge: \$36.00

## Proposed Tariffs

### TARIFFS OF THE NARRAGANSETT BAY COMMISSION

#### SCHEDULE A

#### NARRAGANSETT BAY COMMISSION

**EFFECTIVE:** Flat Fees: July 1, 2006  
Consumption Fees: July 1, 2006

#### Applicability

Applicable throughout the entire territory served by the Field's Point and Bucklin Point Wastewater Treatment Facilities and operated by the Narragansett Bay Commission.

#### Sewer Use Fee Schedule

#### RESIDENTIAL

All residential structures up to and including six (6) dwelling units.

All residential condominiums will be billed under residential tariffs regardless of the number of dwelling units per structure/meter.

#### **NBC Service Area**

#### **FIXED FEE:**

\$99.45 per dwelling unit per year

#### **CONSUMPTION FEE:**

\$2.05/hundred cubic feet of 100% of water used

#### **Residential Well Customers**

\$299.53 (based upon fixed fee and average usage of 200 gpd)

#### INDUSTRIAL

All structures in which water is utilized for the production and/or manufacturing based operations including non-contact cooling water.

#### **FIXED FEES**

#### **METER SIZE**

#### **FIXED FEE**

5/8"	\$223.00
3/4"	\$334.00
1"	\$556.00
1 1/2"	\$1,113.00
2"	\$1,781.00
3"	\$3,339.00
4"	\$5,564.00
6"	\$11,130.00
8"	\$17,808.00
10"	\$25,599.00

#### **CONSUMPTION FEE:**

#### **NBC Service Area:**

\$1.907/hundred cubic feet of 100% of water used.

## Proposed Tariffs

### **COMMERCIAL**

All other structures. This includes mixed use structures (i.e., combined residential/non-residential) and half-way houses and/or boarding type facilities where unrelated persons rent rooms.

### **FIXED FEES**

### **METER SIZE**

### **FIXED FEE**

5/8"	\$223.00
3/4"	\$334.00
1"	\$556.00
1 1/2"	\$1,113.00
2"	\$1,781.00
3"	\$3,339.00
4"	\$5,564.00
6"	\$11,130.00
8"	\$17,808.00
10"	\$25,599.00

### **NBC Service Area:**

\$2.965/hundred cubic feet of 100% of water used.

### **BILLING**

**Residential** - Fixed fee bills rendered to property owners quarterly. Consumption bills rendered to property owners as usage data is supplied by the appropriate Water Supply Board.

**Condominiums (residential)** - Fixed fee to be rendered to property owners and/or associations, quarterly. Consumption bills rendered to property owners and/or associations as usage data is supplied by the appropriate Water Supply Board.

**Industrial** - Fixed fee to be rendered to property owners quarterly. Consumption bills rendered to property owners as usage data is supplied by the appropriate Water Supply Board.

**Commercial** - Fixed fee to be rendered to property owners quarterly. Consumption bills rendered to property owners monthly, quarterly and/or semi-annually as usage data is supplied by the appropriate Water Supply Board.

**Industrial Surcharge** - If any, to be billed with consumption.

### **PAYMENT**

All bills are due and payable upon receipt. A late charge penalty of twelve per cent (12%) per annum will be levied after thirty (30) days from the billing date.



## Proposed Tariffs

### TARIFFS OF THE NARRAGANSETT BAY COMMISSION

#### SCHEDULE B

#### NARRAGANSETT BAY COMMISSION

**EFFECTIVE:** Pretreatment Annual Permit Fee: June 30, 2003  
New Sewer Connection Fee: July 1, 2005  
BOD/TSS Surcharge: June 30, 2003  
Septic Tank Waste Discharge Fee: May 6, 2005  
Sewer Back-up Removal Fee: March 24, 1995  
Abatement Application Fee: January 29, 2001

#### Miscellaneous Charges

1. Pretreatment Annual Permit Fee: Applicable to all users regulated under R.I.G.L. 46-25-25 and the NBC's Rules and Regulations.

CAT #	User Classification	Permit Fee
<b>11</b>	<b>Electroplater/Metalfinisher</b>	
	Flow < 2,500 GPD	\$1,811
	Flow ≥ 2,500 < 10,000 GPD	\$3,623
	Flow ≥ 10,000 GPD < 50,000	\$7,246
	Flow ≥ 50,000 GPD < 100,000 GPD	\$10,144
	Flow ≥ 100,000	\$10,869
<b>12</b>	<b>Metal Molding and Casting</b>	\$1,087
<b>13</b>	<b>Organic Chemical Manufacturers</b>	\$7,246
<b>14</b>	<b>Other Categorical Industries</b>	\$1,087
<b>15</b>	<b>Metal Formers</b>	\$5,797
<b>21</b>	<b>Tubbing/Vibratory/Mass Finishing</b>	
	Flow < 5,000 GPD	\$725
	Flow ≥ 5,000 GPD	\$1,449
<b>22</b>	<b>Chemical Transporters, Refiners, Recyclers, Manufacturers</b>	\$2,898
<b>23</b>	<b>Textile Processing Firms</b>	
	Flow < 2,500 GPD	\$1,449
	Flow ≥ 2,500 < 10,000 GPD	\$3,768
	Flow ≥ 10,000 < 50,000	\$5,072
	Flow ≥ 50,000 GPD	\$7,246

## Proposed Tariffs

<b>CAT #</b>	<b>User Classification</b>	<b>Permit Fee</b>
<b>24</b>	<b>Printers</b>	
	Gravure	\$3,623
	Other Flow $\geq$ 2,500 GPD	\$1,087
	Other Flow < 2,500 GPD	\$725
<b>25</b>	<b>Industrial Laundries</b>	\$3,623
<b>26</b>	<b>Machine Shops/Machinery Rebuilders</b>	\$1,449
<b>27</b>	<b>Other firms discharging toxics and/or prohibited pollutants</b>	
	Flow $\geq$ 10,000 GPD	\$2,898
	Flow $\geq$ 2,500 GPD < 10,000 GPD	\$1,449
	Flow < 2,500 GPD	\$725
<b>28</b>	<b>Central Treatment Facilities - Hazardous Waste</b>	\$14,492
<b>29</b>	<b>Central Treatment Facilities - Non-Hazardous Waste</b>	\$4,348
<b>34</b>	<b>Manufacturers with high BOD/TSS wastestreams</b>	
	Flow $\geq$ 100,000 GPD	\$5,797
	50,000 GPD $\leq$ Flow < 100,000 GPD	\$3,623
	10,000 GPD $\leq$ Flow < 50,000 GPD	\$1,811
	Flow < 10,000 GPD	\$1,087
<b>35</b>	<b>Other facilities discharging conventional pollutants</b>	
	Flow $\geq$ 10,000 GPD	\$1,449
	Flow < 10,000 GPD	\$725
<b>37</b>	<b>Automotive Maintenance/Service Facilities</b>	
	Small $\leq$ 2 Bays	\$435
	Large $\geq$ 3 Bays	\$1,449
<b>40</b>	<b>Groundwater Remediation/Excavation Projects</b>	
	Flow $\geq$ 10,000 GPD	\$1,449
	Flow < 10,000 GPD	\$725
<b>41</b>	<b>Recycle or Disconnected Electroplating or Chemical Processes</b>	\$725

## Proposed Tariffs

<b>CAT #</b>	<b>User Classification</b>	<b>Permit Fee</b>
<b>42</b>	<b>Other Process Operations Disconnected or Recycled</b>	\$290
<b>43</b>	<b>Recycle or Disconnected Electroplating or Chemical Processes with Cooling Water or Boiler Discharges</b>	\$870
<b>44</b>	<b>Other Recycled or Disconnected Process Operations with Cooling Water or Boiler Discharges</b>	\$362
<b>46</b>	<b>Cooling Water with Solvent, Toxic and/or Hazardous Chemicals on Site</b>	\$362
<b>49</b>	<b>Other Discharges with Solvents, Toxics and/or Hazardous Chemicals on Site</b>	
	Flow $\geq$ 10,000 GPD	\$1,087
	Flow $<$ 10,000 GPD	\$725
<b>51</b>	<b>Cooling Water with No Solvents, Toxic or Hazardous Chemicals on Site</b>	\$362
<b>52</b>	<b>Boiler Blowdown/Condensate Discharges</b>	\$362
<b>53</b>	<b>Cooling Tower Discharges</b>	\$362
<b>59</b>	<b>Other Non-Toxic Industrial Discharges</b>	
	Flow $\geq$ 5,000 GPD	\$725
	Flow $<$ 5,000 GPD	\$362
<b>80</b>	<b>Septage Haulers/Dischargers</b>	\$435
<b>81</b>	<b>Food/Fish/Meat/Produce Processing (wholesale)</b>	
	Flow $<$ 1,000 GPD	\$362
	1,000 GPD $\leq$ Flow $<$ 10,000 GPD	\$725
	Flow $\geq$ 10,000 GPD	\$1,449
<b>82</b>	<b>Supermarkets (Retail Food Processing)</b>	\$725
<b>83</b>	<b>Parking Garages/Lots</b>	\$725

## Proposed Tariffs

CAT #	User Classification	Permit Fee
<b>84</b>	<b>Cooling Water/Groundwater/ Boiler Discharges with Potential to Discharge Conventional Pollutants</b>	\$362
<b>85</b>	<b>Restaurants</b>	
	< 50 seats	\$217
	≥ 50 seats < 100 seats	\$435
	>100 seats of fast food ( 2 or more fryolators and/or drive through window)	\$580
<b>86</b>	<b>Commercial Buildings with Cafeteria and/or laundry operations</b>	\$725
<b>89</b>	<b>Other Commercial Facilities with Potential to Discharge Conventional Pollutants</b>	
	< 2,500 GPD	\$362
	≥ 2,500 GPD	\$725
<b>90</b>	<b>Hospitals</b>	\$3,623
<b>91</b>	<b>Cooling Water/Groundwater/ Boiler Discharges with Potential to Discharge Toxic, Prohibited and/or Conventional Pollutants</b>	\$362
<b>92</b>	<b>Laundries/Dry Cleaners</b>	
	Laundromats	\$725
	Dry Cleaners with 1 washer or less	\$362
	Dry Cleaners with ≥ 2 washers	\$725
<b>93</b>	<b>Photo Processing</b>	
	< 1,000 GPD	\$362
	1,000 GPD ≤ Flow < 2,500	\$725
	2,500 GPD - 5,000 GPD	\$1,087
	> 5,000 GPD	\$1,449
<b>94</b>	<b>X-Ray Processing</b>	
	≤ 2 processors	\$362
	3 - 4 processors	\$725
	5 - 9 processors	\$1,087
	≥ 10 processors	\$1,449

## Proposed Tariffs

CAT #	User Classification	Permit Fee
95	Clinical, Medical and Analytical Laboratories	\$725
96	Funeral Homes/Enbalming Operations	\$362
97	Motor Vehicle Service/Washing Operations	
	rate per tunnel	\$725
	rate per bay	\$217
	maximum rate per facility	\$1,449
99	Other Commercial Users with Potential to Discharge Toxic, Prohibited and/or Conventional Pollutants	
	Flow < 2,500 GPD	\$362
	Flow ≥ 2,500 GPD	\$725

**NOTE: All flow rates are based upon operating days.**

2. **New Sewer Connection Fee:** Applicable to all applications for a new service connection directly or indirectly to NBC facilities. Payable at the time of application.

Residential	\$260 per connection
Commercial	\$779 per connection
Industrial	\$779 per connection

3. **Sewer Back-up Removal Fee:** Applicable to all visits by Commission personnel to clear a sewer blockage when such blockage is determined to be a private sewer and is cleared by Commission personnel.

Charge: \$75.00 per incident

4. **Septic Tank Waste Discharge Fee:** Applicable to all discharges of septic tank waste into the NBC system.

Charge: \$42.00 per thousand gallons

5. **BOD/TSS Surcharge:** \$87.00/1,000 pounds of BOD with a concentration above 300 mg/l \$87.00/1,000 pounds of TSS with a concentration above 300 mg/l  
(if applicable)

To be assessed as the result of compliance with an industrial permit or NBC requirement.

6. **Abatement Application Fee:** Applicable to all applicants who request an abatement to sewer user fees charged. Payable at the time of application.

Charge: \$36.00



**DIRECT TESTIMONY OF  
WALTER E. EDGE Jr. MBA CPA, PRESIDENT  
B&E CONSULTING LLC**

**for  
THE NARRAGANSETT BAY COMMISSION**

**ABBREVIATED RATE FILING  
DOCKET # \_\_\_\_\_**

**November 2005**

Narragansett Bay Commission  
DIRECT TESTIMONY  
OF WALTER E. EDGE Jr. MBA, CPA

**Q. Good morning Mr. Edge. Would you please give your name and business address for the record?**

A. Certainly, my full name is Walter Edward Edge Jr. MBA CPA and I work for the firm of B&E Consulting LLC at 21 Dryden Lane, Providence, RI 02904.

**Q. What is B&E Consulting LLC?**

A. B&E Consulting LLC (B&E) is an accounting and consulting firm that specializes in providing accounting and consulting services to small businesses, municipalities, utilities and individuals.

**Q. Are you the same Walter E. Edge Jr. who has testified as an expert accounting and rate witness in previous rate filings on behalf of Narragansett Bay Commission (NBC) and other utilities?**

A. Yes. I have provided expert accounting and rate testimony before the Rhode Island Public Utilities Commission (PUC) for NBC on numerous occasions and for many other clients during the past 15 years. Some of the other clients include Interstate Navigation Company, Block Island Power Company, Providence Water Supply Board, Pawtucket Water Supply Board, Newport Water, the Town of North Smithfield, Osram Sylvania, and Stone Bridge Fire District.

**Q. What is the purpose of your testimony?**

A. NBC hired B&E to provide expert testimony and schedules in support of an abbreviated rate filing for the rate year July 1, 2006 to June 30, 2007. This testimony will address the test year (FYE June 30, 2006), the rate year and rate year adjustments, appropriate revenue checks and ratepayer impact by customer class. With respect to rate design, NBC is proposing an across the board percentage increase to user charges only.

1 NBC has had rate increases each year for the past few years because of the increases to  
2 capital costs relating mostly to the CSO project. NBC does not wish at this time to  
3 impact non-CSO related rates which are subject to some price elasticity.  
4

5 **Q. How much of a revenue increase is NBC requesting in this abbreviated filing?**

6 A. NBC is requesting an additional revenue requirement of \$3,108,471, which  
7 represents approximately a 5.10% increase over the test year revenue requirement.  
8

9 **Q. Will all rates increase by 5.10%?**

10 A. No, not all revenue accounts will be impacted by the proposed rate request.  
11 Therefore, the effective across-the-board rate increase on user rates will be 5.38%. See  
12 Schedule WEE-13)  
13

14 **Q. What was the test year that you used for this rate filing?**

15 A. The test year is the fiscal year ending June 30, 2006. This test year is the PUC  
16 approved rate year from Docket 3639 and represents the most current revenue and  
17 expense information available. Furthermore, this test year includes the rate increase  
18 approved in Docket 3639 and the base rates that this rate filing will be increasing. The  
19 Commission approved the use of this test year in an open meeting on October 20, 2005.  
20

21 **Q. What are the rate year issues in this filing?**

22 A. There are only a few issues as follows:

- 23 1. Employee Retirement Benefits – Union Pension
- 24 2. Employee Benefits – Health Insurance
- 25 3. Sludge Loading and Disposal (and related accounts)
- 26 4. Fuel – Gas
- 27 5. Electricity
- 28 6. Bucklin Point Management Contract (and related accounts)
- 29

30 **Q. Is NBC requesting an increase in this filing for either salaries or debt service?**

31 A. No. NBC has been successful in its management of these two major areas of  
32 expense and consequently there is no need to request an increase in either of these areas  
33 for the rate year.  
34

1 **Q. What is the most significant issue in this filing?**

2 A. The largest issue in this filing is related to the new contract for the outsourcing of all  
3 biosolids (sludge) disposal. On December 1, 2005, NBC will shut down the sludge  
4 incinerator at Field's Point. I testified in Docket 3592 as follows:

5 "The solids handling equipment and incinerator are obsolete and each year they  
6 cost more and more to operate. To properly retrofit and in fact replace the aging  
7 solids handling facilities at the plant, NBC would need to invest tens of millions  
8 of dollars. In addition there are permitting concerns for any new facility. NBC's  
9 analysis shows that it is cost effective to outsource this activity."

10

11 However, in that docket filed on March 1, 2004, NBC was still in the negotiation process  
12 and the outsourcing contract was not executed. As a result, the related cost impacts were  
13 delayed until this filing. The outsourcing of this activity impacts eight expense accounts  
14 significantly as shown in my Schedule WEE-8. Two other accounts, salaries and  
15 overtime, are also impacted but to a much lesser degree.

16

17 **Q. A review of WEE-8 shows that seven of the eight accounts are reductions in**  
18 **expense and only the sludge loading /disposal account reflects an increase. Is that**  
19 **correct?**

20 A. Yes. In fact, six of the accounts (solids handling repairs, oil for solids handling, gas  
21 for solids handling, lime, polymer, and supplies for solids handling) are completely  
22 eliminated by the adjustments, while electricity is reduced. It should be noted that the  
23 accounts eliminated are eliminated at test year levels and would have increased in the rate  
24 year had they been retained. Of course, the sludge loading/disposal account reflects the  
25 rate year cost level.

26

27 **Q. How did you calculate the increase in sludge loading/disposal for the rate year?**

28 A. On Schedule WEE-7, I have calculated the sludge loading/disposal costs for Field's  
29 Point and Bucklin Point by multiplying the CPI calculated rate per dry ton in the rate  
30 year, as per the management contract, times the rate year dry ton production expected  
31 from each of the two facilities. The expected dry ton by facility is calculated on my  
32 Schedule WEE-7A and represents a two year average. The total rate year cost will be  
33 \$4,252,945. CPI increases will be applied for subsequent years.

34

1 **Q. Mr. Edge, has the outsourcing cost increased since Docket 3592?**

2 A. Interestingly enough, the relative cost for changing from incineration at Field's Point  
3 to outsourcing has actually decreased. In Docket 3592, I calculated that the outsourcing  
4 cost would be \$4,538,097 which is \$285,152 greater than I am calculating for the rate  
5 year in this docket. At the same time, many of the costs associated with running the old  
6 incinerator have increased substantially. For example, solids handling repairs increased  
7 from \$235,916 in Docket 3592 to \$354,850 in the test year for this docket. Another large  
8 increase is natural gas for the incinerator. In Docket 3592 the natural gas cost was  
9 \$321,003 while in this filing the gas cost that is eliminated at test year levels is \$608,605.  
10 Clearly NBC's earlier decision to outsource this activity and close the costly incinerator  
11 is further supported by the above listed changes in costs since Docket 3592.

12  
13 **Q. What is the next account that you would like to discuss?**

14 A. I would like to address the remaining accounts in the order that they appear on  
15 Schedule WEE-4. Therefore, the next account that I would like to discuss is the increase  
16 in the Employee Retirement Benefit – Union Pension (\$291,797). NBC's union  
17 employees are participants in the State of Rhode Island (RI) pension plan. The State of  
18 RI has increased the employer contribution rate significantly over the past few years. I  
19 have calculated the rate year cost of the union pension by multiplying the State supplied  
20 employer contribution rate times the test year level of union salaries. The calculation is  
21 shown on Schedule WEE-5.

22  
23 **Q. What account is next?**

24 A. The next account is health benefits. The rate year cost for this account was  
25 calculated on my Schedule WEE-6. I have calculated that there will be a \$445,429  
26 increase in the health benefits accounts in the rate year. My calculation shows the  
27 number of employees included in the test year (approved by the PUC) times the  
28 calculated health insurance rates. My calculated health insurance rates for the rate year  
29 reflect the actual test year rates (FYE 2006) multiplied by the average percentage  
30 increase for the previous three years. NBC was able to mitigate the increase in health  
31 insurance premiums at the last renewal by of modifying the benefit plan design including  
32 increased prescription co-pays, office co-pays and administrative changes. The Dental

1 rates on Schedule WEE-6 are the actual rates for the rate year. The vision insurance  
2 rates were left at the test year actual levels.

3  
4 **Q. The next account on your schedule WEE-9 that has a rate year adjustment is**  
5 **Fuel-Gas. Would please explain how you calculated the increase in fuel costs for**  
6 **the rate year?**

7 A. Yes. My schedule WEE-9 shows the calculation of the adjustment for the increase  
8 in natural gas costs in the rate year (\$185,874). NBC's contract for natural gas will  
9 expire on April 1, 2006. The increase in natural gas cost is based upon price information  
10 provided by NBC's current suppliers (Select Energy and New England Gas) multiplied  
11 by the estimated therms in the rate year. Although I have made this adjustment, given the  
12 volatility of the natural gas market, I am concerned that natural gas prices may change  
13 significantly before the PUC hearings in this docket have concluded. Therefore, I intend  
14 to update my natural gas adjustment calculation as needed either through responses to  
15 data requests or in rebuttal testimony.

16  
17 **Q. Overall, Rhode Island is facing significant increases in the cost of electricity.**  
18 **Given that NBC is one of RI's largest consumers of electricity, how did you calculate**  
19 **the increase in electricity supply costs for the rate year?**

20 A. In May 2005, NBC went out to bid for electricity supply. NBC correctly locked in  
21 an electric supply rate for the next four years of \$0.07195 per kWh (beginning January 1,  
22 2006). A review of current market conditions reveal that current supply rates are 12  
23 cents per kWh and higher. The ability of NBC to lock in electricity supply rates at  
24 approximately 7 cents per kWh may save ratepayers millions of dollars over the next four  
25 years. My calculation on Schedule WEE-10 shows the two year average of kWh  
26 multiplied by the delivery rate plus the kWh supply cost plus the customer charge to  
27 arrive at the subtotal cost per location before Rhode Island Gross Earnings Tax (RIGET)  
28 at 4.1666%. The totals after adding the RIGET by location are then summed and the  
29 electric savings from the closing of the incinerator are subtracted to arrive at the projected  
30 rate year level for electricity of \$3,433,372. After comparing the rate year electricity  
31 cost to the test year electricity cost I calculated an adjustment of \$445,784.

1 **Q. Is the next account to be reviewed Chlorine/Hypochlorite?**

2 A. Actually, the remaining three adjusted accounts can be reviewed together. As the  
3 result of a competitive process, the NBC executed a new management contract for its  
4 Bucklin Point facility. The new Bucklin Point management contract handles the chlorine  
5 /hypochlorite and soda ash differently than the prior contract. The new contract requires  
6 the contractor to provide and pay for these two chemicals. Therefore, I have removed the  
7 test year cost of these items at Bucklin Point from the rate year cost of service. The  
8 remaining cost in the Chlorine/Hypochlorite account reflects usage at Field's Point.

9  
10 In addition, I increased Management/Audit Services (account 52670), to reflect the  
11 management contract at the rate year level. The net result of these three adjustments is  
12 only \$43,969 as shown on Schedule WEE-12.

13  
14 **Q. Have you addressed all of the rate year adjustments requested in this filing?**

15 A. Yes. NBC was aware of and had previously explained to the Division of Public  
16 Utilities and Carriers (DPUC) and the PUC the sludge issue in Docket 3592. Therefore  
17 this increase is no surprise to anyone.

18  
19 The increase in the employer contribution to the union pension is based upon the figures  
20 provided by the State. This adjustment is beyond NBC control.

21  
22 Like most employers, NBC faces increases in health insurance costs. And as the PUC is  
23 aware, natural gas and electricity increases are at record levels.

24  
25 Finally, the Bucklin Point management contract expired and was put out to competitive  
26 bid. Other than these few items, NBC has been able to manage its expenditures.

27  
28 **Q. Mr. Edge have you reviewed the regulatory expense for the rate year?**

29 A. Yes I have and I believe that the test year level of expense is reasonable and no  
30 adjustment is needed at this time.

1 **Q. What did you rely upon in reaching that conclusion regarding regulatory**  
2 **expense?**

3 A. The following table:

	Test Year	Rate Year
Annual PUC Assessment	\$115,543	\$160,000
Permits	24,725	25,000
Current Docket	0	15,000
Docket 3592	13,000	13,000
Docket 3639	0	12,000
Docket 3483	26,450	0
Docket 3409	12,705	0
Total	\$192,423	\$225,000

4

5 All dockets amortized over three years.

6

7 **Q. The previous table shows a \$32,577 deficit for the rate year. Why have you not**  
8 **made an adjustment for this deficit?**

9 A. First of all, the estimate for the PUC assessment is based on previous year increases  
10 and may be (and I hope so) a bit high. Second, the rate case expense in Docket 3639 was  
11 never requested by NBC nor approved by the PUC, and therefore the PUC may not  
12 approve it in this filing. Therefore, NBC is not requesting an adjustment in this account  
13 in this filing.

14

15 **Q. With your adjustments completed, I would like to go back to your comments**  
16 **about the fact that there are no increases requested for debt service and salaries.**  
17 **Would you please explain how this is possible?**

18 A. Certainly. The Commission and Division are aware that NBC has a substantial  
19 capital improvement program and that NBC has financed this program through the  
20 issuance of long-term debt. Fortunately, NBC has had great success in managing its debt  
21 service costs. To understand this further, it might be helpful to review NBC's debt  
22 service activity in the last few years.

23

24

25



1 **Q. Docket 3639 was the most recent financing docket, did you prepare a five year**  
2 **“Analysis of Annual Debt Service and Required Rate Increase” similar to the**  
3 **schedule prepared in Docket 3483?**

4 A. Yes I did. That schedule showed the 12.05% increase calculated for FYE 2006 and  
5 the projected rate increases for the next four years (2007-2010). The projected increase  
6 for fiscal 2007 (the rate year in this docket) was 8.55%.

7  
8 **Q. Is NBC requesting an 8.55% increase for debt service in this filing?**

9 A. No. In Docket 3639, NBC requested approval of a 12.05% increase in revenues to  
10 support a \$40,000,000 loan from the Rhode Island Clean Water Finance Agency  
11 (RICWFA). Subsequent to PUC approval of the rate request, NBC was able to issue the  
12 revenue bonds required to support the \$40,000,000 RICWFA Loan.

13  
14 In addition to the \$40,000,000 RICWFA loan in 2004, the NBC was also able to issue  
15 \$45,000,000 in revenue bonds on July 19, 2005 and plans on borrowing an additional  
16 \$30,000,000 from the RICWFA in December, 2005. Through thoughtful financial  
17 planning, NBC will be able to issue this debt and maintain adequate debt service  
18 coverage in FYE 2007 and beyond. It should be further noted that NBC was able to  
19 borrow \$75,000,000 instead of the \$52,000,000 as projected in the previous model. As a  
20 result \$23,000,000 more is available for projects at the same rates with no adverse impact  
21 to the ratepayers.

22  
23 **Q. How will NBC manage to issue \$75,000,000 of debt and not require an increase**  
24 **in rates in the rate year FYE June 30, 2007?**

25 A. In Docket # 3639, the PUC approved an allowance for debt service of \$25,872,877.  
26 The rate year in this filing includes debt service of slightly more than \$23,000,000. The  
27 reasons for the lower actual debt service costs from those projected in Docket 3639 are  
28 three fold.

1 First, the NBC economically defeased its share of all outstanding State debt issued on  
2 behalf of the NBC (see table below).

3

Series	Principal Defeased
1988A	\$ 525,000
1993	37,927
1996	1,338,944
1997	2,470,200
1998A	1,290,000
2001A	255,000
2002A	3,590,000
2003A	265,000
	<u>\$9,772,071</u>

4

5 As a result, debt service capacity was increased, most significantly in fiscal years 2006  
6 and 2007. Unfortunately fiscal years 2008, 2009 and 2010 require that the debt service  
7 allowance stay at test year levels for the rate year in this filing to assure that NBC  
8 achieves its necessary coverage allowance in those three years.

9

10 Second, the \$45,000,000 revenue bonds issued on July 19, 2005 have a 30 year maturity  
11 (RICWFA debt has only a 20 year maturity) and are interest only for the first twenty  
12 years. This loan term allowed NBC to wrap the principal payments around the then  
13 current debt service payments.

14

15 Third, NBC has worked with the RICWFA to structure the proposed December  
16 borrowing from the RICWFA such that all coverage requirements can be met without a  
17 2007 increase in revenue for debt service. Therefore, based upon current cash flow  
18 projections and the current borrowing plan, it appears that NBC will not need a rate  
19 increase for debt service in FY 2007 and none has been requested.

20

21

22

23

1 **Q. So it appears that NBC has taken steps to protect its ratepayers from**  
2 **unnecessary, excessive rate increases for debt service, is that correct?**

3 A. Yes. The primary driver for the defeasance of the state debt was the enhancement of  
4 debt service capacity. Further, there were funds available in the debt service reserve  
5 accounts (restricted for debt) to pay off the State debt. A secondary benefit of using  
6 these funds is a reduction in NBC's arbitrage exposure. Clearly, NBC's decision to  
7 defease the State debt protected the ratepayers from higher rates.

8  
9 **Q. How did the structure of the revenue bonds protect the ratepayers?**

10 A. The structure of the \$45,000,000 revenue bond issue was beneficial to the ratepayers  
11 because it leveled the future debt payments. As stated earlier, the structure allowed the  
12 NBC to wrap the debt service for the revenue bonds around the RICWFA loans that have  
13 a maximum maturity of 20 years. Before the wrap around, NBC's annual total debt  
14 service decreased substantially from \$10,752,205 in 2024 to less than \$6,000,000 in  
15 2027. Restructuring the principal payments resulted in approximately \$9,000,000 in  
16 annual debt service during 2027 – 2035 and with it dropping to \$5,700,000 in 2036.  
17 This approach further protected ratepayers by leveling debt service.

18  
19 **Q. Does the proposed structure of NBC's next borrowing impact the ratepayers?**

20 A. Yes. The thoughtful structuring of NBC's next anticipated borrowing from the  
21 RICWFA in FYE 2007 will allow NBC to meet its coverage requirements without any  
22 additional rate relief. Again, the ratepayers were protected as a result.

23  
24 **Q. You also mentioned that NBC does not need an increase at this time for salaries.**  
25 **Aren't there contracted and programmed salary increases in the rate year?**

26 A. Yes there are contracted and programmed salary increases in the rate year. I  
27 calculated the rate year increase of \$931,848 using the test year salaries times the  
28 contracted increases and the expected non-union increases. However, I also calculated  
29 that there will be savings in salaries and overtime of approximately \$338,724 as a result  
30 of outsourcing sludge handling. In addition, I have determined that not all of the  
31 positions approved in the last docket (not reduced for the turnover allowance) are filled at  
32 this time (although they should be filled by the rate year).

1 Therefore, given the uncertainty of the actual savings from the outsourcing of sludge and  
2 the rate year staffing levels NBC has chosen to make no adjustment for salaries for the  
3 rate year. I agree with their decision.  
4

5 **Q. If all positions are filled and the savings are not enough to cover the salary**  
6 **increases how will NBC balance their budget in the rate year.**

7 A. NBC is committed to financing its FYE2007 expenditures without an adjustment to  
8 salaries and debt service in the rate year and will do so through strong financial  
9 management.  
10

11 **Q. Does that conclude your prefiled testimony?**

12 A. Yes.  
13

**Narragansett Bay Commission**  
**Test Year**

**Schedule WEE-1**

Acct. #	Account Description	Test Year
<b>Revenue</b>		
41000	FLAT FEES RESIDENTIAL	\$ 10,648,737
41100	MEASURED FEE - RESIDENTIAL	20,752,066
	FLAT FEES COMMERCIAL & INDUSTRIAL	6,908,120
41510	MEASURED FEE - COMMERCIAL	16,388,850
41511	MEASURED FEE - INDUSTRIAL	3,111,180
42000	PRETREATMENT FEES	1,259,546
42500	CONNECTION PERMIT FEES	91,774
43000	BOD/TSS SURCHARGE	170,578
43500	SEPTAGE INCOME	860,720
44502	MISCELLANEOUS OPERATING INCOME	1,883
45100	INTEREST INCOME	244,713
45500	LATE CHARGE PENALTY	470,674
46500	ENVIRONMENTAL ENFORCEMENT	-
47000	REIMBURSED COLLECTION COSTS	16,981
47500	GRANT	-
42600	ABATEMENT FEE	-
	ARBITRAGE REBATE	4,428
49005	CAPITAL CONTRIBUTIONS	-
49002	MISCELLANEOUS INCOME	1,521
	<b>TOTAL REVENUE</b>	<b>60,931,771</b>
<b>EXPENSES</b>		
<b>PERSONNEL SERVICES</b>		
	SALARIES & WAGES	11,821,821
	OVERTIME	470,643
52800	EMPLOYEE RET. BEN. - UNION PENSION	574,808
52920	EMPLOYEE RET. BEN. - NON-UNION PENSION	691,163
52810	EMPLOYEE RET.BEN.-FICA	940,374
52820	EMPLOYEE BENEFITS-UI	31,638
52940	RETIREMENT HEALTH - STATE	64,922
52950	EMPLOYEE BEN.-HEALTH INS.	2,627,709
52990	EMPLOYEE BEN-DISABILITY INS.	31,437
54950	HEALTH INSURANCE-RETIREEES	1,646
	WORKERS COMP-OLD CLAIMS	50,000
55700	TURRNOVER ALLOWANCE	(508,692)
	<i>Total Personnel Services</i>	<b>16,797,469</b>
59000	SALARY REIMBURSEMENT	(955,258)
	FRINGE REIMBURSEMENT	(476,292)
59001	SALARY & FRINGE TURNOVER ALLOWANCE	42,947
	<i>Net Personnel Services</i>	<b>15,408,865</b>
<b>Operating</b>		
<b>Supplies &amp;</b>		
<b>Expense</b>		
52610	MEDICAL SVCS.	8,220
52640	BLDG. & GRND. MAINT.	98,863
52641	SLUDGE LOADING/DISPOSAL	1,519,783
52642	SCREENINGS & GRIT DISPOSAL	212,440
53200	BAD DEBT EXPENSE	160,000
53210	POSTAGE	134,699
54000	TELEPHONE	158,214
54500	OFFICE EXPENSE	93,249

**Narragansett Bay Commission**  
**Test Year**

**Schedule WEE-1**

<b>Acct. #</b>	<b>Account Description</b>	<b>Test Year</b>
53240	DUES & SUBSCRIPTIONS	29,954
53250	FREIGHT, CART. & EXP.	40,104
53260	INSURANCE	654,014
53900	CENTRAL PHONE SVCS.	6,065
53310	PRINTING & BINDING	85,396
53320	ADVERTISING	17,355
53410	MILEAGE ALLOWANCE	2,572
53420	OUT-OF-STATE TRAVEL	48,501
53510	AUTOMOTIVE MAINTENANCE	126,859
53610	REPAIR-BLDG & STRUCTURE	645,479
53611	SOLIDS HANDLING REPAIRS	354,850
53620	REPAIR-HIGHWAY & WALKS	4,380
53630	EQUIPMENT MAINTENANCE AGREE	471,451
53640	GENERAL REPAIRS	18,878
53350	RENTAL-OUTSIDE PROPERTY	2,107
53330	RENTAL- EQUIPMENT	17,746
53340	RENTAL- CLOTHING	44,550
54010	FUEL OIL - KEROSENE	-
54020	DIESEL FOR EQUIPMENT	-
54021	OIL FOR SOLIDS HANDLING	16,053
54060	FUEL-GAS	381,685
54061	FUEL- GAS - INCINERATOR	608,605
54090	ELECTRICITY	2,987,588
54110	WATER	67,872
54200	CLOTHING	23,625
54210	SAFETY EQUIPMENT	17,005
53370	PUBLIC OUTREACH EDUCATION	-
54330	CHEMICALS, HOUSE & LAUNDRY SUPPLY	20,826
54332	CHEM-CHLORINE/HYPOCHLORITE	389,822
54334	CHEM-LIME	12,422
54335	CHEM-POLYMER	87,553
54337	CHEM-SODIUM BISULFITE	105,273
54338	SODA ASH	243,541
54340	LAB SUPPLIES	189,879
53650	HIGHWAY & LANDSCAPE	2,242
54370	SUPPLIES BLDG & MAINTENANCE	114,464
54371	SUPPLIES FOR SOLIDS HANDLING	4,000
54410	EDUCATIONAL SUPP. & EXP.	79,231
54420	COMPUTER SUPPLIES & EXPENSE	221,245
54430	OTHER OPERATING EXPENSE	1,810
53360	MISCELLANEOUS EXPENSE	4,168
55820	EDUCATION SCHOOL AIDE	525
57600	EQUIP LOSSES-CASUALTY THEFT	-
	<i>Total Operating Supplies &amp; Expense</i>	<u>10,535,163</u>
 Special Services		
57800	BOND AND NOTE FEES	2,500
52600	REGULATORY EXPENSE	192,423
52620	ARCHITECT/ENG. SERVICES	750
52630	LECTURES/ED./PROF. SVCS.	198
52650	SECURITY SERVICES	17,804
52660	LEGAL SERVICES	129,185
52670	MGMT/AUDIT SERVICES	1,419,173
52680	CLERICAL SERVICES	13,233
52690	OTHER SERVICES	<u>253,773</u>
	<i>Total Special Services</i>	<u>2,029,039</u>

**Narragansett Bay Commission**  
**Test Year**

**Schedule WEE-1**

Acct. #	Account Description	Test Year
Capital Outlays		
16200	LANDFILL	
16510	AUTOMOTIVE EQUIP.	128,000
16520	BLDG. & PLANT EQUIP.	519,650
16530	CONSTRUCTION EQUIP.	-
16540	ED. AND REC. EQUIP.	-
16570	LABORATORY EQUIP.	151,000
16580	OFFICE FURNITURE AND EQUIP.	598,700
16583	COMPUTER SOFTWARE	-
16585	COMPUTER HARDWARE	-
16590	OTHER EQUIP.	-
16610	BUILDING & OTHER STRUCT.	125,000
16630	IMP.-NOT BLDG OR STRUCT.	-
16600	REPLACEMENT RESERVE	370,000
	PRIOR YEAR DEBT COVERAGE	(1,892,350)
	<i>Total Capital Outlays</i>	-
Depreciation & Amortization		
57010	AMORTIZATION	9,690
57500	DEPRECIATION	-
	<i>Total Depreciation &amp; Amortization</i>	9,690
<i>Debt Service</i>		
	DEBT COVERAGE	6,656,397
57910	INTEREST	-
	DEBT SERVICE	25,872,877
	<i>Total Debt Service</i>	32,529,274
	<i>Total Expenses</i>	60,512,030
	<i>Net Operating Reserve</i>	419,741
		<u>\$ 60,931,771</u>

Note: The above test year is the rate year(as approved by the PUC) in Docket #3639.  
This test year represents the approved revenues and expenses for the FYE June 30, 2006.

# Narragansett Bay Commission

## Rate Year Revenue By Source

WEE -2

### User Fee Revenues

	UNITS	RATES	REVENUE
Residential			
Dwelling Units	112,831	\$94.38	\$ 10,648,737
Flow	10,689,623	1.942	20,752,067
Non-Residential - Metered Accounts			
5/8"	3,828	212	811,473
3/4"	880	317	278,826
1"	1,045	528	551,450
1 1/2"	832	1,057	879,037
2"	1,799	1,690	3,040,724
3"	73	3,168	231,299
4"	51	5,280	269,301
6"	57	10,562	602,032
8"	13	16,899	219,686
10"	1	24,292	24,292
Total Flat Fees from Metered Accounts			6,908,120
Commercial Consumption	5,825,507	2.813	16,388,850
Industrial Consumption	1,719,119	1.810	3,111,180
<b>Total User Fee Revenues</b>			57,808,954
Miscellaneous Revenue			
DISCHARGE PERMIT FEES	1,259,546		
CONNECTION PERMIT FEES	91,774		
BOD/TSS SURCHARGE	170,578		
SEPTAGE INCOME	860,720		
MISC. OPERATING INCOME	1,883		
INTEREST INCOME	244,713		
LATE CHARGE PENALTY	470,674		
ENVIRONMENTAL ENFORCEMENT	-		
REIMBURSED COLLECTION COSTS	16,981		
GRANT	-		
ARBITRAGE REBATE	4,428		
ABATEMENT	-		
MISCELLANEOUS INCOME	1,521		
<b>Total Miscellaneous Revenue</b>			3,122,818
Total Revenues:			60,931,772
Total Revenues per WEE-1			60,931,773
Difference: \$			<u><u>(0)</u></u>



**Narragansett Bay Commission  
Three Year Comparison**

**Schedule WEE-3**

Acct. #	Account Description	Actuals FY 2003	Actuals FY 2004	Actuals FY 2005
<b>Revenue</b>				
41000	FLAT FEES RESIDENTIAL	\$ 7,891,203	\$ 9,037,024	\$ 9,463,539
41100	MEASURED FEE - RESIDENTIAL	15,815,040	17,066,296	17,973,116
	FLAT FEES COMMERCIAL & INDUSTRIAL	5,054,891	5,674,665	5,963,098
41510	MEASURED FEE - COMMERCIAL	11,830,167	14,571,943	16,248,740
41511	MEASURED FEE - INDUSTRIAL	1,402,661	1,523,427	1,538,329
42000	PRETREATMENT FEES	1,083,886	1,234,447	1,209,418
42500	CONNECTION PERMIT FEES	106,164	115,241	197,595
43000	BOD/TSS SURCHARGE	187,438	134,448	194,215
43500	SEPTAGE INCOME	610,582	532,769	435,145
44502	MISCELLANEOUS OPERATING INCOME	124,281	41,864	23,503
45100	INTEREST INCOME	260,466	515,567	914,079
45500	LATE CHARGE PENALTY	434,509	434,081	458,176
46500	ENVIRONMENTAL ENFORCEMENT	42,260	44,443	69,536
47000	REIMBURSED COLLECTION COSTS	-	-	-
47500	GRANT	391,631	74,983	35,530
42600	ABATEMENT FEE	5,040	2,844	3,492
	ARBITRAGE REBATE	-	-	-
49005	CAPITAL CONTRIBUTIONS	1,664,550	2,223,373	2,941,693
49002	MISCELLANEOUS INCOME	-	-	-
	TOTAL REVENUE	46,904,769	53,227,415	57,669,204
<b>EXPENSES</b>				
<b>PERSONNEL SERVICES</b>				
	SALARIES & WAGES	10,647,181	11,155,984	11,392,538
	OVERTIME	545,752	603,583	624,352
	EMPLOYEE RET. BEN. - UNION PENSION	324,343	424,633	495,393
	EMPLOYEE RET. BEN. - NON-UNION PENSIC	598,674	720,450	702,842
52810	EMPLOYEE RET.BEN.-FICA	840,485	881,348	891,983
52820	EMPLOYEE BENEFITS-UI	52,263	37,242	23,416
52940	RETIREMENT HEALTH - STATE	42,233	57,508	67,203
52950	EMPLOYEE BEN.-HEALTH INS.	1,917,779	2,379,730	2,508,172
52990	EMPLOYEE BEN-DISABILITY INS.	32,589	23,549	30,900
54950	HEALTH INSURANCE-RETIREEES	1,248	1,015	1,015
	WORKERS COMP-OLD CLAIMS	53,372	40,626	87,117
	<i>Total Personnel Services</i>	15,055,919	16,325,668	16,824,931
59000	SALARY REIMBURSEMENT	(838,176)	(904,078)	(944,363)
	FRINGE REIMBURSEMENT	(322,505)	(437,247)	(512,798)
59001	SALARY & FRINGE TURNOVER ALLOWANC	-	-	-
	<i>Net Personnel Services</i>	13,895,238	14,984,343	15,367,770
<b>Operating Supplies &amp; Expense</b>				
52610	MEDICAL SVCS.	7,408	8,749	7,519
52640	BLDG. & GRND. MAINT.	96,605	106,338	100,162
52641	SLUDGE LOADING/DISPOSAL	1,452,778	1,378,470	1,195,968
52642	SCREENINGS & GRIT DISPOSAL	106,072	148,453	124,095
53200	BAD DEBT EXPENSE	164,401	317,671	110,701
53210	POSTAGE	145,448	153,428	131,954
54000	TELEPHONE	146,416	127,363	141,956
54500	OFFICE EXPENSE	92,852	74,442	55,388

**Narragansett Bay Commission  
Three Year Comparison**

**Schedule WEE-3**

Acct. #	Account Description	Actuals FY 2003	Actuals FY 2004	Actuals FY 2005
53240	DUES & SUBSCRIPTIONS	54,047	48,458	52,118
53250	FREIGHT, CART. & EXP.	39,568	36,184	30,620
53260	INSURANCE	444,035	594,190	641,558
53900	CENTRAL PHONE SVCS.	6,441	6,396	2,541
53310	PRINTING & BINDING	82,386	76,333	84,191
53320	ADVERTISING	15,804	14,944	8,001
53410	MILEAGE ALLOWANCE	3,323	2,737	2,872
53420	OUT-OF-STATE TRAVEL	50,204	45,432	55,895
53510	AUTOMOTIVE MAINTENANCE	139,548	133,735	173,489
53610	REPAIR-BLDG & STRUCTURE	545,168	625,636	456,825
53611	SOLIDS HANDLING REPAIRS	200,643	148,046	155,923
53620	REPAIR-HIGHWAY & WALKS	1,604	3,939	5,690
53630	EQUIPMENT MAINTENANCE AGREE	385,678	379,960	493,658
53640	GENERAL REPAIRS	19,320	65,360	139,370
53350	RENTAL-OUTSIDE PROPERTY	6,332	5,882	7,803
53330	RENTAL- EQUIPMENT	44,540	10,550	47,233
53340	RENTAL- CLOTHING	53,933	56,275	56,991
54010	FUEL OIL - KEROSENE	2,175	2,225	3,017
54020	DIESEL FOR EQUIPMENT	220	5,368	1,540
54021	OIL FOR SOLIDS HANDLING	16,289	14,000	25,040
54060	FUEL-GAS	226,880	222,119	445,191
54061	FUEL- GAS - INCINERATOR	387,100	366,203	679,611
54090	ELECTRICITY	1,954,175	2,105,340	2,464,191
54110	WATER	61,190	73,851	46,885
54200	CLOTHING	21,986	24,857	23,302
54210	SAFETY EQUIPMENT	37,708	26,125	25,842
53370	PUBLIC OUTREACH EDUCATION	13,944	8,894	15,917
54330	CHEMICALS, HOUSE & LAUNDRY SUPPLY	22,542	20,652	28,715
54332	CHEM-CHLORINE/HYPOCHLORITE	366,820	389,735	401,642
54334	CHEM-LIME	13,400	6,722	9,975
54335	CHEM-POLYMER	87,453	98,560	90,741
54337	CHEM-SODIUM BISULFITE	59,507	101,099	115,895
54338	SODA ASH	-	-	-
54340	LAB SUPPLIES	208,986	127,365	144,452
53650	HIGHWAY & LANDSCAPE	4,327	6,772	9,349
54370	SUPPLIES BLDG & MAINTENANCE	169,601	144,510	139,029
54371	SUPPLIES FOR SOLIDS HANDLING	488	4,558	6,166
54410	EDUCATIONAL SUPP. & EXP.	83,408	73,479	67,645
54420	COMPUTER SUPPLIES & EXPENSE	154,418	175,497	92,559
54430	OTHER OPERATING EXPENSE	3,597	6,613	12,662
53360	MISCELLANEOUS EXPENSE	5,735	13,037	17,269
55820	EDUCATION SCHOOL AIDE	5,600	200	0
57600	EQUIP LOSSES-CASUALTY THEFT	28,473	47,240	3,436
	<i>Total Operating Supplies &amp; Expense</i>	<u>8,240,576</u>	<u>8,633,992</u>	<u>9,152,592</u>
Special Services				
57800	BOND AND NOTE FEES	2,500	2,500	5,000
52600	REGULATORY EXPENSE	102,924	139,805	159,688
52620	ARCHITECT/ENG. SERVICES	-	-	-
52630	LECTURES/ED./PROF. SVCS.	-	-	-
52650	SECURITY SERVICES	16,034	31,158	29,476
52660	LEGAL SERVICES	133,455	166,277	178,635
52670	MGMT/AUDIT SERVICES	1,473,344	1,408,508	1,338,454
52680	CLERICAL SERVICES	67,270	39,012	22,338
52690	OTHER SERVICES	218,467	149,482	170,306
	<i>Total Special Services</i>	<u>2,013,994</u>	<u>1,936,742</u>	<u>1,903,897</u>

**Narragansett Bay Commission  
Three Year Comparison**

**Schedule WEE-3**

<b>Acct. #</b>	<b>Account Description</b>	<b>Actuals FY 2003</b>	<b>Actuals FY 2004</b>	<b>Actuals FY 2005</b>
<b>Depreciation &amp; Amortization</b>				
57010	AMORTIZATION	200,863	232,668	185,789
57500	DEPRECIATION	5,780,423	6,033,192	6,211,621
	<i>Total Depreciation &amp; Amortization</i>	5,981,286	6,265,860	6,397,410
<b>Debt Service</b>				
	DEBT COVERAGE			
57910	INTEREST	4,296,363	5,720,685	8,381,979
	PRINCIPAL	-	-	-
	<i>Total Debt Service</i>	4,296,363	5,720,685	8,381,979
	<i>Total Expenses</i>	34,427,457	37,541,622	41,203,648
	<i>Net Income</i>	\$ 12,477,312	\$ 15,685,793	\$ 16,465,556

**Narragansett Bay Commission**  
**Rate Year Cost of Service**

**Schedule WEE-4**

Acct. #	Account Description	Test Year	Rate Year Adjustments	Rate Year
<b>Revenue</b>				
41000	FLAT FEES RESIDENTIAL	\$ 10,648,737	\$ -	\$ 10,648,737
41100	MEASURED FEE - RESIDENTIAL	20,752,066	-	20,752,066
	FLAT FEES COMMERCIAL & INDUSTRIAL	6,908,120	-	6,908,120
41510	MEASURED FEE - COMMERCIAL	16,388,850	-	16,388,850
41511	MEASURED FEE - INDUSTRIAL	3,111,180	-	3,111,180
42000	PRETREATMENT FEES	1,259,546	-	1,259,546
42500	CONNECTION PERMIT FEES	91,774	-	91,774
43000	BOD/TSS SURCHARGE	170,578	-	170,578
43500	SEPTAGE INCOME	860,720	-	860,720
44502	MISCELLANEOUS OPERATING INCOME	1,883	-	1,883
45100	INTEREST INCOME	244,713	-	244,713
45500	LATE CHARGE PENALTY	470,674	-	470,674
46500	ENVIRONMENTAL ENFORCEMENT	-	-	-
47000	REIMBURSED COLLECTION COSTS	16,981	-	16,981
47500	GRANT	-	-	-
42600	ABATEMENT FEE	-	-	-
	ARBITRAGE REBATE	4,428	-	4,428
49005	CAPITAL CONTRIBUTIONS	-	-	-
49002	MISCELLANEOUS INCOME	1,521	-	1,521
	TOTAL REVENUE	60,931,771	-	60,931,771
<b>EXPENSES</b>				
<b>PERSONNEL SERVICES</b>				
	SALARIES & WAGES	11,821,821	-	11,821,821
	OVERTIME	470,643	-	470,643
	EMPLOYEE RET. BEN. - UNION PENSION	574,808	291,797	866,605
	EMPLOYEE RET. BEN. - NON-UNION PENSION	691,163	-	691,163
52810	EMPLOYEE RET.BEN.-FICA	940,374	-	940,374
52820	EMPLOYEE BENEFITS-UI	31,638	-	31,638
52940	RETIREMENT HEALTH - STATE	64,922	-	64,922
52950	EMPLOYEE BEN.-HEALTH INS.	2,627,709	445,429	3,073,138
52990	EMPLOYEE BEN-DISABILITY INS.	31,437	-	31,437
54950	HEALTH INSURANCE-RETIRES	1,646	-	1,646
	WORKERS COMP-OLD CLAIMS	50,000	-	50,000
55700	TURRNOVER ALLOWANCE	(508,692)	-	(508,692)
	<i>Total Personnel Services</i>	16,797,469	737,226	17,534,696
59000	SALARY REIMBURSEMENT	(955,258)	-	(955,258)
	FRINGE REIMBURSEMENT	(476,292)	-	(476,292)
59001	SALARY & FRINGE TURNOVER ALLOWANCE	42,947	-	42,947
	<i>Net Personnel Services</i>	15,408,865	737,226	16,146,092
<b>Operating Supplies &amp; Expense</b>				
52610	MEDICAL SVCS.	8,220	-	8,220
52640	BLDG. & GRND. MAINT.	98,863	-	98,863
52641	SLUDGE LOADING/DISPOSAL	1,519,783	2,733,162	4,252,945
52642	SCREENINGS & GRIT DISPOSAL	212,440	-	212,440
53200	BAD DEBT EXPENSE	160,000	-	160,000
53210	POSTAGE	134,699	-	134,699
54000	TELEPHONE	158,214	-	158,214
54500	OFFICE EXPENSE	93,249	-	93,249

**Narragansett Bay Commission**  
**Rate Year Cost of Service**

**Schedule WEE-4**

Acct. #	Account Description	Test Year	Rate Year Adjustments	Rate Year
53240	DUES & SUBSCRIPTIONS	29,954	-	29,954
53250	FREIGHT, CART. & EXP.	40,104	-	40,104
53260	INSURANCE	654,014	-	654,014
53900	CENTRAL PHONE SVCS.	6,065	-	6,065
53310	PRINTING & BINDING	85,396	-	85,396
53320	ADVERTISING	17,355	-	17,355
53410	MILEAGE ALLOWANCE	2,572	-	2,572
53420	OUT-OF-STATE TRAVEL	48,501	-	48,501
53510	AUTOMOTIVE MAINTENANCE	126,859	-	126,859
53610	REPAIR-BLDG & STRUCTURE	645,479	-	645,479
53611	SOLIDS HANDLING REPAIRS	354,850	(354,850)	-
53620	REPAIR-HIGHWAY & WALKS	4,380	-	4,380
53630	EQUIPMENT MAINTENANCE AGREE	471,451	-	471,451
53640	GENERAL REPAIRS	18,878	-	18,878
53350	RENTAL-OUTSIDE PROPERTY	2,107	-	2,107
53330	RENTAL- EQUIPMENT	17,746	-	17,746
53340	RENTAL- CLOTHING	44,550	-	44,550
54010	FUEL OIL - KEROSENE	-	-	-
54020	DIESEL FOR EQUIPMENT	-	-	-
54021	OIL FOR SOLIDS HANDLING	16,053	(16,053)	-
54060	FUEL-GAS	381,685	185,874	567,559
54061	FUEL- GAS - INCINERATOR	608,605	(608,605)	-
54090	ELECTRICITY	2,987,588	445,784	3,433,372
54110	WATER	67,872	-	67,872
54200	CLOTHING	23,625	-	23,625
54210	SAFETY EQUIPMENT	17,005	-	17,005
53370	PUBLIC OUTREACH EDUCATION	-	-	-
54330	CHEMICALS, HOUSE & LAUNDRY SUPPLY	20,826	-	20,826
54332	CHEM-CHLORINE/HYPOCHLORITE	389,822	(20,117)	369,705
54334	CHEM-LIME	12,422	(12,422)	-
54335	CHEM-POLYMER	87,553	(87,553)	-
54337	CHEM-SODIUM BISULFITE	105,273	-	105,273
54338	SODA ASH	243,541	(243,541)	-
54340	LAB SUPPLIES	189,879	-	189,879
53650	HIGHWAY & LANDSCAPE	2,242	-	2,242
54370	SUPPLIES BLDG & MAINTENANCE	114,464	-	114,464
54371	SUPPLIES FOR SOLIDS HANDLING	4,000	(4,000)	-
54410	EDUCATIONAL SUPP. & EXP.	79,231	-	79,231
54420	COMPUTER SUPPLIES & EXPENSE	221,245	-	221,245
54430	OTHER OPERATING EXPENSE	1,810	-	1,810
53360	MISCELLANEOUS EXPENSE	4,168	-	4,168
55820	EDUCATION SCHOOL AIDE	525	-	525
57600	EQUIP LOSSES-CASUALTY THEFT	-	-	-
	<i>Total Operating Supplies &amp; Expense</i>	10,535,163	2,017,679	12,552,842
Special Services				
57800	BOND AND NOTE FEES	2,500	-	2,500
52600	REGULATORY EXPENSE	192,423	-	192,423
52620	ARCHITECT/ENG. SERVICES	750	-	750
52630	LECTURES/ED./PROF. SVCS.	198	-	198
52650	SECURITY SERVICES	17,804	-	17,804
52660	LEGAL SERVICES	129,185	-	129,185
52670	MGMT/AUDIT SERVICES	1,419,173	307,627	1,726,799
52680	CLERICAL SERVICES	13,233	-	13,233
52690	OTHER SERVICES	253,773	-	253,773
	<i>Total Special Services</i>	2,029,039	307,627	2,336,665

**Narragansett Bay Commission**  
**Rate Year Cost of Service**

**Schedule WEE-4**

Acct. #	Account Description	Test Year	Rate Year Adjustments	Rate Year
<b>Capital Outlays</b>				
16200	LANDFILL	-	-	-
16510	AUTOMOTIVE EQUIP.	128,000	-	128,000
16520	BLDG. & PLANT EQUIP.	519,650	-	519,650
16530	CONSTRUCTION EQUIP.	-	-	-
16540	ED. AND REC. EQUIP.	-	-	-
16570	LABORATORY EQUIP.	151,000	-	151,000
16580	OFFICE FURNITURE AND EQUIP.	598,700	-	598,700
16583	COMPUTER SOFTWARE	-	-	-
16585	COMPUTER HARDWARE	-	-	-
16590	OTHER EQUIP.	-	-	-
16610	BUILDING & OTHER STRUCT.	125,000	-	125,000
16630	IMP.-NOT BLDG OR STRUCT.	-	-	-
16600	REPLACEMENT RESERVE	370,000	-	370,000
	PRIOR YEAR DEBT COVERAGE	(1,892,350)	-	(1,892,350)
	<i>Total Capital Outlays</i>	-	-	-
<b>Depreciation &amp; Amortization</b>				
57010	AMORTIZATION	9,690	-	9,690
57500	DEPRECIATION	-	-	-
	<i>Total Depreciation &amp; Amortization</i>	9,690	-	9,690
<b>Debt Service</b>				
	DEBT COVERAGE	6,656,397	-	6,656,397
57910	INTEREST	-	-	-
	DEBT SERVICE	25,872,877	-	25,872,877
	<i>Total Debt Service</i>	32,529,274	-	32,529,274
	<i>Total Expenses</i>	60,512,030	3,062,532	63,574,563
	<i>Net Operating Reserve</i>	419,741	45,938	465,679
		<u>\$ 60,931,771</u>	<u>\$ 3,108,471</u>	<u>\$ 64,040,242</u>

**Employee Retirement Benefit - Union Pension**  
**(Account 52800)**

**Schedule WEE-5**

	<b>Test Year Salary</b>	<b>Rate</b>	<b>Expense</b>
Union Salary	5,047,206	17.17%	\$ 866,605
		Test Year	574,808
	<b>Rate Year Adjustment</b>	<b>\$</b>	<b>291,797</b>

**Health Benefits Analysis  
(Account 52950)**

**Schedule WEE-6**

		<b>Members</b>	<b>Rate per Pay Period</b>	<b>Number of Pay Periods</b>	<b>Cost</b>
<b>Health Insurance</b>					
<b>HMO</b>	Family	10	\$ 484.78	26	\$ 126,042
	Single	2	177.42	26	9,226
<b>PPO</b>	Family	162	557.98	26	2,350,232
	Single	54	204.20	26	286,692
<b>Waiver</b>		22	2,500.00	1	55,000
Total		250			
<b>Dental</b>					
	Family	190	37.61	26	185,793
	Single	57	13.56	26	20,096
	Waiver	3	110.00	1	330
Total		250			
<b>Vision</b>					
	Family	193	6.96	26	34,925
	Single	57	3.24	26	4,802
Total		250			
<b>Total Rate Year</b>					<b>3,073,138</b>
<b>Test Year</b>					<b>2,627,709</b>
<b>Rate Year Adjustment</b>					<b>\$ 445,429</b>



**Sludge Loading/Disposal Analysis  
(Account 52641)**

**Schedule WEE-7**

**Field's Point**

	<i>Up to March 1, 2007</i>	<i>March 1, 2007 - June 30, 2007</i>	<i>Total</i>
<b>Rate per Dry Ton</b>	\$ 325.00	\$ 381.18	
<b>Dry Tons</b>	6,312	3,156	9,469
<b>FP Biosolids Disposal Cost</b>	\$ 2,051,508	\$ 1,203,126	\$ 3,254,634

**Bucklin Point**

	<i>Up to March 1, 2007</i>	<i>March 1, 2007 - June 30, 2007</i>	
<b>Rate per Dry Ton</b>	\$ 325	\$ 381.18	
<b>Dry Tons</b>	1,933	971	2,904
<b>BP Biosolids Disposal Cost</b>	\$ 628,325	\$ 369,986	\$ 998,311

Total Contracted Biosolids Disposal Costs for Rate Year	\$ 4,252,945
Test Year	1,519,783
<b>Rate Year Adjustment</b>	<b>\$ 2,733,162</b>

**Sludge Production**  
**Two Year Average Dry Tons (DT)**

**Schedule WEE-7A**

	Field's Point			Bucklin Point		
	DT/Month			DT/Day		
	FY 2004	FY 2005		FY 2004	FY 2005	
July	958	707		8.9	8.4	
Aug	630	566		10.7	7.8	
Sept	694	775		8.6	8.2	
Oct	788	877		8.5	7.6	
Nov	723	872		7.2	6.8	
Dec	908	720		7.5	5.4	
Jan	938	686		8.4	7.0	
Feb	749	687		8.2	7.2	
Mar	649	966		10.0	7.2	
Apr	740	698	*	5.9	7.4	
May	1,111	933	*	7.4	7.0	
Jun	739	824	*	9.6	10.1	
Total	9,627	9,310		Average/Day	8.4	7.5
Annual	9,627	9,310		3,072	2,736	
Two Year Average		9,469		2,904		

\* DT Normalized for Shank DT

	<b>FY 2005</b>		
	<b>FY 2005</b>	<b>Normalized</b>	<b>Difference</b>
Apr	1,026	698	(329)
May	1,145	933	(212)
Jun	1,076	824	(253)
	3,247	2,454	(793)

**Biosolids Disposal Contract Adjustment****Schedule WEE-8**

<b>Account</b>	<b>Description</b>	<b>Biosolids Costs</b>		<b>Rate Year Adjustment</b>	<b>Rate Year</b>
		<b>Included in</b>	<b>Test Year</b>		
53611	Solids Handling Repairs	\$	354,850	\$ (354,850)	-
54021	Oil for Solids Handling		16,053	(16,053)	-
54061	Gas for Solids Handling		608,605	(608,605)	-
54334	Lime		12,422	(12,422)	-
54335	Polymer		87,553	(87,553)	-
54371	Supplies for Solids Handling		4,000	(4,000)	-
54090	Electricity		142,194	(142,194)	-
52641	Sludge Loading/ Disposal		1,519,783	2,733,162	4,252,945
Net Total		\$	2,745,460	\$ 1,507,485	\$ 4,252,945

**Fuel-Gas Analysis**  
(Acct. 54060)

**Schedule WEE-9**

Cost of Gas	Therms	Rate	Expense
<b>Contracted Cost of Gas</b>			
Supply Costs	329,744	\$ 1.339 <sup>1</sup>	\$ 441,455
Distribution Costs	329,744	0.246 <sup>2</sup>	81,114
Subtotal			<u>522,569</u>
<b>New England Gas Supplied Natural Gas</b>			
Supply Costs	16,149	1.120 <sup>3</sup>	18,087
Rate Year Customer Charges and Gross Earnings Tax			<u>26,903</u>
<b>Total Rate Year</b>			567,559
<b>Test Year</b>			381,685
<b>Rate Year Adjustment</b>			<u><u>\$ 185,874</u></u>

<sup>1</sup> *Quoted rate per Select Energy*

<sup>2</sup> *Distribution Cost Rates do not include GET or Customer Charges. These charges are shown separately*

<sup>3</sup> *Latest rates from New England Gas (includes delivery and supply).*

## Schedule WEE-10

Location	FY2007 kWh (2-Year Average)	Delivery Rate	Delivery Cost	Supply Cost (\$0.07195)	Customer Charge	Subtotal	RIGET (4.1666%)	Total
Field's Point	17,858,000	\$ 0.028	\$ 500,024	\$ 1,284,883	\$ 2,837	\$ 1,787,744	\$ 74,488	\$ 1,862,232
Bucklin Point	14,150,000	0.030	424,500	1,018,093	2,837	1,445,430	60,225	1,505,655
Corporate Office Building	1,078,300	0.030	32,349	77,584	2,837	112,770	4,699	117,469
Interceptor Maintenance	796,020	0.100	79,602	-	7,000	86,602	3,608	90,210
<b>Rate Year Totals</b>	33,882,320	\$ 0.031	\$ 1,036,475	\$ 2,380,559	\$ 15,511	\$ 3,432,546	\$ 143,020	3,575,566
<b>Less: Incinerator Electricity</b>							<b>(142,194)</b>	
<b>Total Rate Year</b>							<b>3,433,372</b>	
<b>Test Year</b>							<b>2,987,588</b>	
<b>Rate Year Adjustment</b>							<b>\$ 445,784</b>	

**Management & Audit Services Analysis**  
**(Account 52670)**

**WEE-11**

Total Test Year Management & Audit Services	\$	1,419,173
Other Costs		<u>75,017</u>
Test Year Bucklin Point Management Contract	\$	<u><u>1,344,156</u></u>
Bucklin PointManagement Contract in Rate Year	\$	1,651,782
Less:Test Year Bucklin Point Management		<u>(1,344,156)</u>
<b>Rate Year Adjustment</b>		<u><u>\$ 307,627</u></u>

**Adjustments Related to New Management Contract****WEE-12**

<b>Account</b>	<b>Description</b>	<b>Test Year</b>	<b>Rate Year</b>	
			<b>Adjustmen</b>	<b>Rate Year</b>
52670	Management & Audit Services	\$ 1,419,173	\$ 307,627	\$1,726,799
54332	Chlorine/Hypochlorite	389,822	(20,117)	369,705
54338	Soda Ash	243,541	(243,541)	-
Net Total		\$ 2,052,536	\$ 43,969	\$2,096,504

**Calculation of Revenue Requirement  
as a Percentage Increase**

**Schedule WEE-13**

**Calculation of Percentage Increase in Revenue Requirement**

Revenue Increase (WEE-4)	\$ 3,108,471	
Rate Year Revenue at Old Rates (WEE-4)	<u>60,931,771</u>	<u>5.10%</u>

**Calculation of Across the Board Increase Percentage**

Revenue Increase (WEE-4)	<u>3,108,471</u>
Revenue Items which could be increased by an across the board % Increase	
Flat Fees Residential	10,648,737
Measured Fee - Residential	20,752,066
Flat Fees Commercial & Industrial	6,908,120
Measured Fee - Commercial	16,388,850
Measured Fee - Industrial	<u>3,111,180</u>
Total Revenue Available for Increase	<u>\$ 57,808,953</u>
Across the Board Percentage Increase	<u>5.38%</u>



**Narragansett Bay Commission**  
**Rate Year Revenue By Source**

**Schedule WEE-14**

**User Fee Revenues**

	UNITS	RATES	REVENUE
Residential			
Dwelling Units	112,831	\$99.45	\$ 11,221,335
Flow	10,689,623	2.05	21,867,934
Non-Residential - Metered Accounts			
5/8"	3,828	223	855,107
3/4"	880	334	293,819
1"	1,045	556	581,103
1 1/2"	832	1,113	926,304
2"	1,799	1,781	3,204,228
3"	73	3,339	243,736
4"	51	5,564	283,782
6"	57	11,130	634,404
8"	13	17,808	231,499
10"	1	25,599	25,599
Total Flat Fees from Metered Accounts			7,279,580
Commercial Consumption	5,825,507	2.965	17,270,102
Industrial Consumption	1,719,119	1.907	3,278,473
<b>Total User Fee Revenues</b>			60,917,424
Miscellaneous Revenue			
DISCHARGE PERMIT FEES	1,259,546		
CONNECTION PERMIT FEES	91,774		
BOD/TSS SURCHARGE	170,578		
SEPTAGE INCOME	860,720		
MISC. OPERATING INCOME	1,883		
INTEREST INCOME	244,713		
LATE CHARGE PENALTY	470,674		
ENVIRONMENTAL ENFORCEMEN	0		
REIMBURSED COLLECTION COST	16,981		
GRANT	0		
ARBITRAGE REBATE	4,428		
ABATEMENT	0		
MISCELLANEOUS INCOME	1,521		
<b>Total Miscellaneous Revenue</b>			3,122,818
Total Revenues:			64,040,242
Total Revenues per WEE-4			64,040,242
Difference:		\$	0

**Narragansett Bay Commission**  
**Ratepayer Impact**

**Schedule WEE-15**

	Current Rates	Proposed Rates	Dollar Increase	% Increase
97.6 HCF Residential				
Customer Charge	\$94.38	\$99.45	\$ 5.07	
Consumption	189.51	199.70	10.19	
Total 97.6 HCF Residential	<u>\$ 283.89</u>	<u>\$ 299.15</u>	<u>\$ 15.26</u>	<u>5.38%</u>
5/8" meter, 244 HCF Commercial				
Customer Charge	\$ 211.98	\$ 223.38	\$ 11.40	
Consumption	686.44	723.35	36.91	
Total 5/8" meter, 244 HCF Commercial	<u>\$ 898.43</u>	<u>\$ 946.74</u>	<u>\$ 48.31</u>	<u>5.38%</u>
2" meter, 2440 HCF Commercial				
Customer Charge	\$ 1,690.23	\$ 1,781.12	\$ 90.89	
Consumption	6,864.43	7,233.54	369.11	
Total 2" meter, 2440 HCF Commercial	<u>\$ 8,554.66</u>	<u>\$ 9,014.66</u>	<u>\$ 460.00</u>	<u>5.38%</u>
5/8" meter, 244 HCF Industrial				
Customer Charge	\$ 211.98	\$ 223.38	\$ 11.40	
Consumption	441.58	465.32	23.74	
Total 5/8" meter, 244 HCF Industrial	<u>\$ 653.56</u>	<u>\$ 688.71</u>	<u>\$ 35.14</u>	<u>5.38%</u>
2" meter, 2440 HCF Industrial				
Customer Charge	\$ 1,690.23	\$ 1,781.12	\$ 90.89	
Consumption	4,415.80	4,653.24	237.44	
Total 2" meter, 2440 HCF Industrial	<u>\$ 6,106.03</u>	<u>\$ 6,434.36</u>	<u>\$ 328.33</u>	<u>5.38%</u>

NARRAGANSETT BAY COMMISSION

STATEMENT OF NET ASSETS

June 30, 2005

---

CURRENT ASSETS	
Cash and cash equivalents	\$ 18,021,289
Accounts receivable	
Sewer use (net of allowance)	5,000,033
Sewer use unbilled	12,659,745
Receivables, other	6,771
Deposits	10,000
Prepaid expenses	132,524
Total current assets	<u>35,830,362</u>
NONCURRENT ASSETS	
Restricted assets	
Cash, environmental enforcement	49,193
Cash and cash equivalents, restricted	12,294,200
Cash and cash equivalents, restricted for the acquisition and construction of capital assets	<u>11,943,972</u>
Total restricted assets	<u>24,287,365</u>
Capital assets	
Land	4,115,559
Plant and equipment	70,956,713
Capital projects completed	225,229,920
Construction in progress	<u>271,817,109</u>
	572,119,301
Less accumulated depreciation	<u>(88,693,200)</u>
Net capital assets	<u>483,426,101</u>
Other assets	
Organization costs (net of accumulated amortization)	87,643
Bond and loan issuance costs (net of accumulated amortization)	<u>4,144,265</u>
Total other assets	<u>4,231,908</u>
Total noncurrent assets	<u>511,945,374</u>
TOTAL ASSETS	<u>547,775,736</u>

NARRAGANSETT BAY COMMISSION

STATEMENT OF NET ASSETS

June 30, 2005

---

CURRENT LIABILITIES

Accounts and contracts payable	\$ 10,472,003
Other payables	23,810
Accrued interest payable	1,929,045
Other accrued expenses	2,814,779
Unearned revenue	298,860
Current portion of loans payable	9,557,981
Current portion of leases payable	215,521
Current portion of long-term debt	1,365,000
Total current liabilities	<u>26,676,999</u>

NONCURRENT LIABILITIES

Other accrued expenses	94,598
Long-term loans payable, net	213,177,255
Long-term leases payable, net	265,872
Long-term debt, net	68,635,000
Total noncurrent liabilities	<u>282,172,725</u>

TOTAL LIABILITIES

308,849,724

NET ASSETS

Invested in capital assets, net of related debt	190,209,472
Restricted, environmental enforcement	49,193
Unrestricted	48,667,347
TOTAL NET ASSETS	<u>\$ 238,926,012</u>

### **Debt Service Payments Test Year**

The Test Year is not completed. Therefore, the total amounts paid for debt service in the Test Year is not available.

***Narragansett Bay Commission - Master Debt Service Schedule***

ACCT. #	BOND/SRF DESCRIPTION	DUE DATES	FYE 2007	
			INTEREST	PRINCIPAL
21907	SRF - NO. PROV. \$2.647M	1-Sep 1-Mar	18,730.44 15,887.02	152,666.96
21909	SRF - WP/RA - \$3.694	1-Sep 1-Mar	21,037.97 18,628.93	194,487.00
21908	SRF - BUTLER - \$1.662M	1-Sep 1-Mar	13,647.85 11,907.51	92,463.45
21915	SRF POOL LOAN I - \$14.781M	1-Sep 1-Mar	159,870.32 146,358.60	736,500.00
21916	SRF POOL LOAN II - \$17.279M	1-Sep 1-Mar	175,912.19 160,925.06	857,927.00
21917	SRF POOL LOAN III - \$8.150M	1-Sep 1-Mar	114,555.46 108,146.70	351,673.00
21918	SRF POOL LOAN IV - \$23.955M	1-Sep 1-Mar	422,974.66 422,957.00	1,000.00
21919	SRF POOL LOAN V - \$57M	1-Sep 1-Mar	788,944.80 765,162.30	1,500,000.00
21920	SRF POOL LOAN VI - \$57M	1-Sep 1-Mar	396,474.64 377,721.24	2,376,104.68
21921	SRF POOL LOAN VII - \$40M	1-Sep 1-Mar	361,083.05 351,164.30	1,725,000.00
21922	SRF POOL LOAN VIII - \$40M	1-Sep 1-Mar	348,952.38 337,950.78	1,719,000.00
22500	VRDO \$70M 2004 Series A		2,277,333.00	1,415,000.00
22501	VRDO \$45M 2005 Series A		2,250,000.00	0.00
	SRF POOL LOAN IX - \$30M	1-Sep 1-Mar	323,072.16 289,005.45	1,263,000.00
	SRF POOL LOAN X - \$30M	1-Sep 1-Mar	51,700.73	
	<i>Total</i>		10,730,104.54	12,384,822.09
	<i>Total Interest and Principal Debt Service</i>		\$23,114,926.63	

SRF  
Open Market Bonds

17,172,593.63  
5,942,333.00  
23,114,926.63



## *Narragansett Bay Commission*

### *Long Term Debt*

Commission loan outstanding with the RI Clean Water Finance Agency  
Butler Hospital Project – The total loan is \$1,662,054 with an interest rate of 3.7644%.

Commission loan outstanding with the RI Clean Water Finance Agency  
North Providence – The total loan is \$2,647,977 with an interest rate of 3.725%.

Commission loan outstanding with the RI Clean Water Finance Agency  
Washington Park Project – The total loan is \$3,694,678 with an interest rate of 3.5171%.

Commission loan outstanding with the RI Clean Water Finance Agency  
Pooled Loan #1 – The total loan is \$14,781,000 with an interest rate of 3.66917%.

Commission loan outstanding with the RI Clean Water Finance Agency  
Pooled Loan #2 – The total loan is \$17,279,000 with an interest rate of 3.4938%.

Commission loan outstanding with the RI Clean Water Finance Agency  
Pooled Loan #3 – The total loan is \$8,150,000 with an interest rate of 3.64473%.

Commission loan outstanding with the RI Clean Water Finance Agency  
Pooled Loan #4 – The total loan is \$23,955,000 with an interest rate of 3.532%.

Commission loan outstanding with the RI Clean Water Finance Agency  
Pooled Loan #5 – The total loan is \$57,000,000 with an interest rate of 3.171%.

Commission loan outstanding with the RI Clean Water Finance Agency  
Pooled Loan #6 – The total loan is \$57,000,000 with an interest rate of 1.5785%.

Commission loan outstanding with the RI Clean Water Finance Agency  
Pooled Loan #7 – The total loan is \$40,000,000 with an interest rate of 1.349%.

Commission loan outstanding with the RI Clean Water Finance Agency  
Pooled Loan #8 – The total loan is \$40,000,000 with an interest rate of 1.404%.

Revenue Bonds (variable rate) 2004 Series A, dated April 29, 2004, maturing  
September 1, 2034 - Total loan amount is \$70,000,000.

Wastewater System Revenue Bonds, 2005 Series A, dated August 15, 2005  
Total loan amount is \$45,000,000 with an interest rate of 4.724015%.

**Compliance Reporting per Docket #3162**

**Compliance Items**

Capital Projects Compliance Report

**Status**

Report submitted August 15, 2005



**Narragansett Bay Commission Docket #3592**  
**Compliance Reporting on Restricted Accounts for FY 2005**

Percentage	Cash Receipts	Capital/Debt 0.000%	Debt 42.755%	Debt Coverage 7.935%	Debt/Coverage Interest	Total Capital/Debt/ Debt Coverage	Special Master
Receipts:							0.29300%
Beginning Balance		3,026,603.86	13,912,986.53	3,738,411.48	127,312.04	20,805,313.91	513,547.19
Transfer 9/2004		7,000,000.00	(3,261,588.52)	(3,738,411.48)		0.00	
Transfer 6/27/2005		10,026,603.86	10,651,398.01	0.00	127,312.04	20,805,313.91	513,547.19
		(3,862,000.00)	3,862,000.00	0.00	0.00	0.00	0.00
	July-04	6,164,603.86	14,513,398.01	0.00	127,312.04	20,805,313.91	513,547.19
	August-04	342.41	433,552.22	80,462.56	7,677.08	522,034.27	2,966.98
	September-04	2,047.02	3,577,502.04	663,945.33	10,542.23	4,254,036.62	24,482.34
	October-04	2,340.06	1,286,281.16	238,719.74	12,991.60	1,540,332.56	8,802.56
	November-04	3,459.76	478,327.35	88,772.34	9,072.23	579,631.68	3,273.39
	December-04	10,270.74	3,446,719.37	639,673.50	8,748.72	4,105,412.33	23,587.34
	* January-05	10,745.41	1,684,252.23	312,578.83	7,306.93	2,014,883.40	11,526.04
	February-05	12,373.53	517,450.23	96,034.79	8,901.05	634,759.60	3,546.09
	March-05	11,847.90	3,459,164.86	641,994.46	15,470.08	4,128,477.30	23,705.66
	April-05	10,560.92	1,359,104.04	252,239.28	17,850.22	1,639,754.46	9,313.94
	May-05	10,974.47	443,540.98	82,317.80	19,202.78	556,036.03	3,039.59
	June-05	10,021.47	3,671,188.28	681,344.38	27,345.38	4,389,899.51	25,158.65
		10,668.74	1,267,632.34	235,262.84	33,227.52	1,546,791.44	8,687.08
		6,260,256.29	36,138,113.11	4,013,345.85	305,647.86	46,717,363.11	661,636.85
Expenses:							
	July-04	86,771.54	49,178.54	-		135,950.08	-
	August-04	5,530.00	1,173,197.90	-		1,178,727.90	-
	September-04	489,858.36	6,157,850.08	-		6,647,708.44	-
	October-04	145,500.78	132,168.40	-		277,669.18	-
	November-04	201,209.50	3,327,734.86	-		3,528,944.36	-
	December-04	988,789.17	968,977.00	-		1,957,766.17	-
	January-05	689,530.88	182,668.97	-		872,199.85	-
	February-05	1,179,625.92	218,758.11	-		1,398,384.03	-
	March-05	850,443.24	2,395,318.56	-		3,245,761.80	-
	April-05	541,937.59	166,500.21	-		708,437.80	-
	May-05	288,868.50	146,349.95	-		435,218.45	-
	June-05	137,508.64	11,742,116.58	-		11,879,625.22	-
		5,605,574.12	26,660,819.16	-		32,266,393.28	-
Balance		\$ 654,682.17	\$ 9,477,293.95	\$ 4,013,345.85	\$ 305,647.86	\$ 14,450,969.83	\$ 661,636.85

\* For July, 2004 through December, 2004 percentage calculations under Docket #3483 for Debt, Debt Coverage, and Special Master were 45.299%, 8.407%, and .31000% respectively. New percentage calculations implemented in January, 2005 as per Docket #3592.